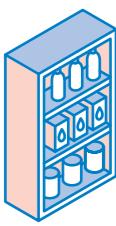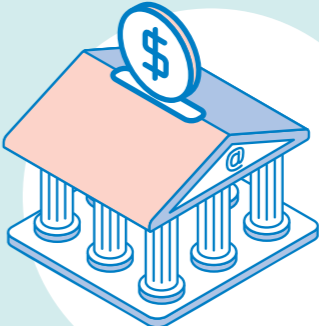# CUBE SYSTEM

Integrated Report
2025

CUBE SYSTEM

October 2025

Harnessing the power of information systems for a richer, more convenient society

CUBE SYSTEM was established in 1972 with the desire to serve our customers, and for more than 50 years since then, we have provided support to customers through our system solution business. As a company, we have valued a spirit of "contributing to society with multifaceted thinking by leveraging technology and creativity in a constant quest for innovation." Moving forward, we hope to continue to "grow alongside our customers" while resolving social challenges.

Contents

Management Philosophy

Companies thrive through the support of various people.
Business must continue in order to ensure people's well-being, including our employees. The source of business continuation and prosperity is profit, and profit is generated by our customers.
Based on this philosophy, we go forward to create a globally acclaimed company.

Basic Policy

Customer first	Clear prioritization	Company-wide sales-minded approach

Origins of the Company name

CU CUstomer
Customer first

B Brainpower
Intelligence and knowledge

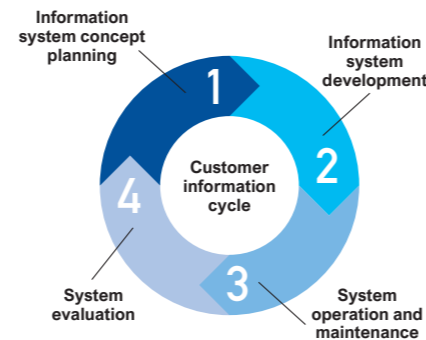**E** Excitement
Create excitement

SYSTEM
Synthesis of CUBE elements

Businesses of CUBE SYSTEM

CUBE SYSTEM provides solutions for a broad range of industries, including the finance and the distributing industries as a systems integrator.

End-to-end support for customers' IT utilization

We provide end-to-end support for IT utilization, from the planning stage through implementation and operation. We facilitate the growth of our customers' businesses across all aspects of IT utilization, from issue analysis and system development to post-deployment support.

Customer information cycle:
1. Information system concept planning
2. Information system development
3. System operation and maintenance
4. System evaluation

Contract type / Planning type

- Three business models → SIer Business
- Three business models → End-User Business
- Three business models → Service Providing Business
- Digital Business
- SI Business
- System Enhancement Business

A business portfolio capable of responding to a broad range of customer needs

Two business categories
- Contract type
- Planning type

Three business styles
- SIer Business
- End-User Business
- Service Providing Business

Three business models
- Digital Business
- SI Business
- System Enhancement Business

Contract type

A business that develops **customized** system solutions for different customers

SIer Business

A form of providing solution services in collaboration with leading systems integrators

Strengths and the business environment ☐ p. 37

Objectives
Continuous, stable revenue growth

End-User Business

A form of providing solution services through direct contracts with customers

Strengths and the business environment ☐ p. 37

Objectives
Expand scale and revenue

Planning type

A business that **plans and provides comprehensive solutions addressing issues facing customers** utilizing software and IP (including know-how and technology) developed by our company

Service Providing Business

A form of providing solution services through software developed in-house or in collaboration with other companies

Strengths and the business environment ☐ p. 38

Objectives
Achieve sustainable net sales and profits

Digital Business

Net sales composition FY Mar. 2025
4%
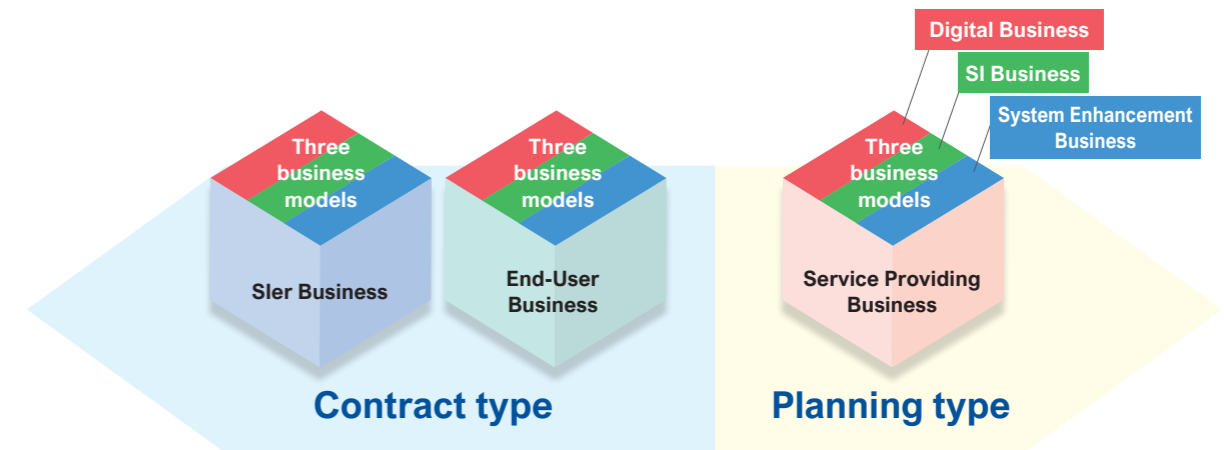
This is a planning-based business originating from our company that utilizes digital technology. We aim to create new business through approaches that combine our unique know-how, such as consulting services, in-house products, solutions originating from our company, and conversion into IP (intellectual property). Through DX, we support our customers' business reform.

Major efforts
- Implementing planning-based business originating from our company (PoC, etc.)
- Technical support and consulting for generative AI, blockchain, etc.

SI Business

Net sales composition FY Mar. 2025
34%

This service covers everything from system planning to design, development, and implementation. We provide a Lift & Shift model to migrate legacy environments to cloud environments (Lift) and to establish new methodologies (Shift), based on the theme of providing systems centered on multi-cloud and microservice projects and transforming to a new operational model. This model has achieved dramatic growth during the First Medium-Term Plan of V2026.

Major efforts
- Cloud migration (Lift & Shift)
- Providing solutions through co-creation with cloud vendors, etc.

System Enhancement Business

Net sales composition FY Mar. 2025
62%

This is a business model in which we excel, providing services that improve the performance and quality of systems and increase their value in response to changes in the customer's business environment and the evolution of new technologies. We are making use of our accumulated know-how to work towards achieving high productivity and high profitability.
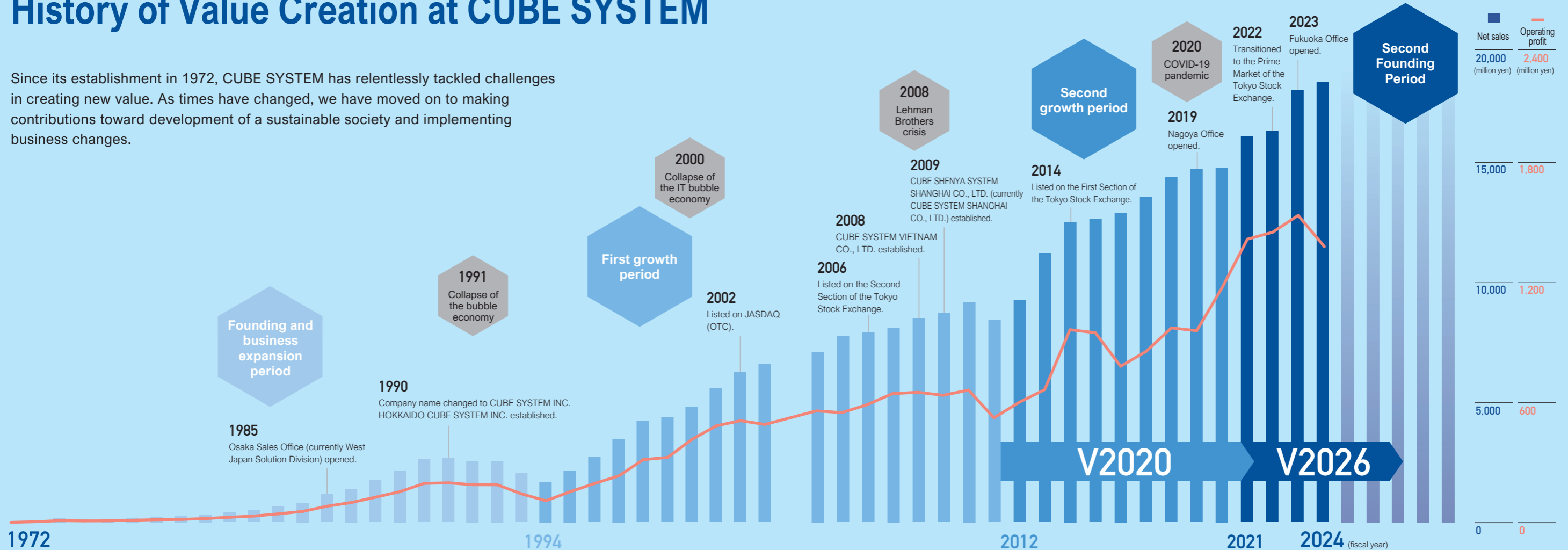
Major efforts
- System operation and maintenance
- Additional development services (during operation and maintenance), etc.

History of Value Creation at CUBE SYSTEM

Since its establishment in 1972, CUBE SYSTEM has relentlessly tackled challenges in creating new value. As times have changed, we have moved on to making contributions toward development of a sustainable society and implementing business changes.

Net sales 20,000 (million yen) Operating profit 2,400 (million yen)

2023 Fukuoka Office opened.

Second Founding Period

2022 Transitioned to the Prime Market of the Tokyo Stock Exchange.

2020 COVID-19 pandemic

2019 Nagoya Office opened.

Second growth period

2014 Listed on the First Section of the Tokyo Stock Exchange.

2008 Lehman Brothers crisis

2009 CUBE SHENYA SYSTEM SHANGHAI CO., LTD. (currently CUBE SYSTEM SHANGHAI CO., LTD.) established.

2008 CUBE SYSTEM VIETNAM CO., LTD. established.

2006 Listed on the Second Section of the Tokyo Stock Exchange.

2000 Collapse of the IT bubble economy

First growth period

2002 Listed on JASDAQ (OTC).

1991 Collapse of the bubble economy

1990 Company name changed to CUBE SYSTEM INC. HOKKAIDO CUBE SYSTEM INC. established.

Founding and business expansion period

1985 Osaka Sales Office (currently West Japan Solution Division) opened.

V2020   V2026

15,000 1,800
10,000 1,200
5,000   600
0   0

1972   1994   2012   2021   2024 (fiscal year)

IT industry's situation

- 1960- Introduction of mainframes for core business
- 1990- Popularization of personal computers
- 1995- Popularization of the Internet
- 2000- Expansion of electronic commerce
- 2005- Social media starts to trend
- 2010- Increasing performance of mobile devices Acceleration of data communication
- 2018- The first year of DX
- 2020- Shift from on-premise to cloud
- 2022- Use of generative AI

History of CUBE SYSTEM

Founding and business expansion period | V-shaped recovery period | First growth period | Second growth period | V2026 ▶ Second Founding Period

Founded as an independent software company to be a group of engineers for customers

CUBE SYSTEM started its business in 1972 with a strong belief in "providing solutions that strongly inspire our customers by applying our intelligence and knowledge to their advantage." When our company first began operations in the 1970s, the software industry was in its infancy. As a systems integrator, we have been providing inspiring and value-added services through our system solution business amidst the ever-changing technology and society. Leveraging the know-how and information technology we have cultivated over more than 50 years of experience, we will continue to lead the transformation of business and society.

June 1984 Service agreement concluded with Fujitsu Limited.

Systems engineering service agreement was concluded with Fujitsu Limited. System Integration Services started under the agreement.

March 1988 Basic agreement concluded with Nomura Research Institute, Ltd.

A basic agreement on a system development service was concluded with Nomura Research Institute, Ltd. System Integration and System Outsourcing Services started under the agreement.

December 1990 HOKKAIDO CUBE SYSTEM INC. established.

HOKKAIDO CUBE SYSTEM INC. (currently a consolidated subsidiary) was established to strengthen business in the Tohoku and Hokkaido regions.

May 2005 Capital and business partnership agreement concluded with System Create Co., Ltd.

A capital and business partnership agreement was concluded with System Create Co., Ltd. to expand the company's business operations.

March 2008 CUBE SYSTEM VIETNAM CO., LTD. established.

CUBE SYSTEM VIETNAM CO., LTD. (currently a consolidated subsidiary) was established in Ho Chi Minh City, Socialist Republic of Vietnam.

July 2009 CUBE SHENYA SYSTEM SHANGHAI CO., LTD. (currently CUBE SYSTEM SHANGHAI CO., LTD.) established.

CUBE SHENYA SYSTEM SHANGHAI CO., LTD. (currently CUBE SYSTEM SHANGHAI CO., LTD., a consolidated subsidiary) was established in Shanghai City, People's Republic of China.

August 2018 Capital and business partnership agreement concluded with TRIPLEIZE CO., LTD.

A capital and business partnership agreement was concluded with TRIPLEIZE CO., LTD. for the development of new business and for increase in orders received utilizing AI, IoT and blockchain technologies.

November 2020 Partnership agreement concluded with Kinaxis Japan K.K.

A business partnership was formed with Kinaxis Japan K.K., the Japanese subsidiary of Kinaxis Inc. (TSX:KXS), to bolster support in the Asia-Pacific region.

February 2021 Obtained a patent for our touchless payment service that uses an AI-based facial recognition system provided through the DX business.

The patent was granted for "a series of input system/program and methods to make payments by recognizing the face of the user and a specific payment gesture."

December 2022 Capital and business partnership agreement concluded with Nomura Research Institute, Ltd.

Capital and business partnership agreement was concluded with Nomura Research Institute, Ltd., for reinforcement of long-term and continuous ties, expansion of business areas and improvement of the development organization and facilities.

October 2024 Received Oracle Certification Award 2024.

Awarded "Oracle Cloud Infrastructure (OCI/PaaS) Certifications" for outstanding achievement in cultivating certified Oracle-certified professionals.

February 2025 Received the Customer Satisfaction Excellence Award at the AEON Smart Technology Outsourcing Awards

Recognized as an IT strategic partner of the AEON Group. Received an award in recognition of improvement initiatives aimed at enhancing user satisfaction, and for continued operational streamlining and improvements.
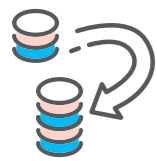
CUBE SYSTEM at a Glance (FY2024)

Year established
1972

Net sales
18.3 billion yen

Operating profit
1.38 billion yen

ROE
12.0%

Dividend payout ratio
47.7%

Equity ratio
75.7%

R&D expenses
98 million yen

Number of employees
918
As of March 31, 2025

Ratio of female employees in manager posts
9.8%
* Calculated using the number of non-consolidated employees

Net sales per capita
23.67 million yen
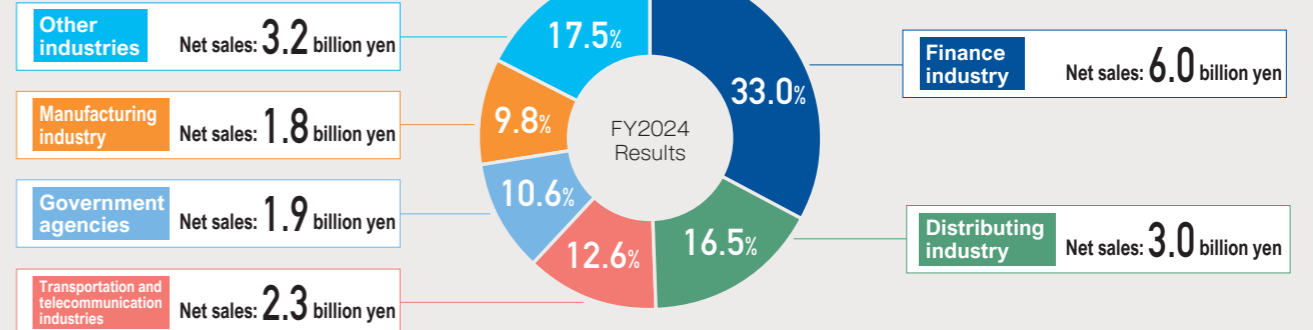* Calculated using the number of domestic employees

Operating profit per capita
1.78 million yen
* Calculated using the number of domestic employees

Net sales composition per industry

FY2024 Results

- Other industries: Net sales: 3.2 billion yen — 17.5%
- Manufacturing industry: Net sales: 1.8 billion yen — 9.8%
- Government agencies: Net sales: 1.9 billion yen — 10.6%
- Transportation and telecommunication industries: Net sales: 2.3 billion yen — 12.6%
- Finance industry: Net sales: 6.0 billion yen — 33.0%
- Distributing industry: Net sales: 3.0 billion yen — 16.5%

Finance industry

We develop, maintain, and operate systems, such as online banking, securities trading systems, and insurance loss adjustment systems, that provide services users can use safely and securely with a sense of convenience.

Distributing industry

We develop, maintain, and operate systems that enable consumers to purchase the products they need at any time, focusing on product-related operations such as product management and ordering systems of a retailer, including supermarkets and mass merchandisers.

Transportation and telecommunication industries

We develop, maintain, and operate systems that contribute to safety and efficiency of delivery systems that solve delivery issues such as re-delivery for parcel delivery service providers, and in the mobile phone business we develop, maintain, and operate customer information management systems that can reliably handle large numbers of accesses arriving from PCs and smartphones.

Government agencies

We provide comprehensive solution services, including the design, development, operation, and maintenance of mission-critical systems, networks, and business applications for the central government agencies and public sector organizations that serve the greater good.

Manufacturing industry

In the manufacturing industry, we develop, maintain, and operate systems that reduce workloads, such as sales management systems that provide a one-stop shop for everything from quoting to ordering, and production management systems that support a wide range of areas, including internal systems and infrastructure management.

Other industries

We develop, maintain, and operate optimal systems that meet the characteristics and requirements of each organization, such as service systems that visualize electric power for electric power companies, and optimal applications for educational institutions.

Message from the President

We strive to deliver value to society with our stakeholders to build a company we can be proud of in the future

Masahiro Nakanishi

Representative Director and President

Enhancing our corporate value, guided by our Basic Policy and Management Philosophy

At CUBE SYSTEM, we publish integrated reports to share our value creation story with our stakeholders, covering both financial and non-financial perspectives. This fifth edition of our report covers our management strategy, business activities, and sustainability initiatives, as well as our efforts to bolster management capital, including human and intellectual capital. Through this report, we aim to share our current position as a company and our vision for the future.

Guided by our Medium- to Long-Term Management Plan VISION 2026 (hereinafter, "V2026") that launched in FY2021, we are steadily pushing ahead to enhance our corporate value over the medium to long term. From FY2021 to FY2023, we worked to strengthen our management foundation as part of the First Medium-Term Management Plan. In FY2024, we transitioned to the Second Medium-Term Management Plan (FY2024–FY2026, hereinafter "Second Medium-Term Plan"), under which we are pursuing dramatic growth. We view the Second Medium-Term Plan as a "Second Founding," a major turning point in which we double-down on the strengths we have been cultivating since our founding while creating wholly new strengths and establishing a path towards sustainable growth.

Our growth strategy is grounded in the three core principles of our Basic Policy: Customer First, Clear Prioritization, and a Company-wide Sales-minded Approach. Combined with our Management Philosophy, these

principles guide our efforts to create value.

Our "Customer First" approach guides our approach to solution services, emphasizing a deep understanding of the customer's business objectives and challenges while pursuing substantive results. "Clear Prioritization" emphasizes the concentration of management resources towards making our vision for the future a reality and focusing on what needs to be done "right now" when making executive business decisions. "Company-wide Sales-minded Approach" means a mindset centered on offering the best solutions to resolve customers' business issues, backed by the technical skills to execute those solutions. We are strongly committed to consistently meeting QCD (quality, cost, and delivery) requirements at a higher standard.

Underlying the Management Philosophy that informs our Basic Policy is the belief that "Companies thrive through the support of various people." We believe that providing value to all stakeholders, including our employees, through our business activities serves to achieve our Management Philosophy by "creating a globally acclaimed company."

Striving to be the truly best partner for promoting DX and leveraging AI

The information services sector is seeing active investment in digital transformation (DX) and AI, driven by the labor shortages and the pursuit of higher value in customer services, and this presents significant business opportunities for us. DX is not simply a way to introduce

We aim to be a customer-preferred systems integrator through commitment to our customer-first approach and by reliably fulfilling quality expectations as standard practice.

new technology or improve efficiency; instead, the idea is to use digital technologies to reform business and operational structures. Technological proficiency is not enough to achieve this. We need to be able to deeply understand the customer's business objectives, limitations, and competitive landscape, and to envision and propose how technology should be applied. In my view, this capability is already embedded in our corporate culture, cultivated through our standard practice of walking in step with our customers.

This customer-centric approach is equally indispensable in our pursuit of AI-driven solutions. As advanced technologies such as generative AI become increasingly integrated into customer businesses, it is imperative for systems integrators to correctly evaluate their potential and risks, and to adapt with agility. AI are complex systems combining multiple technical elements. AI can only be properly utilized through a systematic understanding of these systems' structures and constraints. In addition, social perspectives, such as legal frameworks, contractual obligations, and ethical standards must not be overlooked. The fact that something is technically feasible must be accompanied by accountability in determining whether it should be pursued from a social standpoint.

AI technology is rapidly evolving, so there is an intensifying need to embrace it quickly. We see our role as acting not simply because we can, but to delve deeper into identifying the correct course of action moving forward. Centered on our strength in delivering meticulous services, we seek to cultivate a group of engineers who are trusted by the community and by customers, who combine deep technical knowledge with a strong ethical perspective.

Achieving tangible progress towards dramatic growth across our three business domains

In FY2024, backed by continued DX demand, active AI implementation, and the cloud migration of legacy mission-critical systems, we were able to strongly drive our businesses forward. However, we did not necessarily achieve satisfactory results in all areas. While year-on-year net sales growth was achieved, both operating profit and ordinary profit decreased, indicating that concerns remain regarding profitability. One contributing factor was the emergence of cases in which deteriorated profitability was tied to unforeseen workloads stemming from risks that were not identified through traditional project management processes.

On the quality front, as well, inadequate systems for distributing resources and alleviating frontline workloads caused problems in some cases, and we received pointed criticisms in our annual customer satisfaction survey. Quality is predicated on meeting established standards, and we believe genuine value is achieved only when those standards are surpassed. At present, we have reviewed the contents of our risk assessment and established a robust quality management system that can appropriately identify and respond to risk factors. Our efforts are focused on winning customer trust so that they can be confident in choosing CUBE SYSTEM.

Conversely, we have gained a tangible sense of momentum towards our future objectives. This is attributable to steady progress across the Three Business

Styles set forth in V2026.

In the SIer Business, we participated in "Social DX" projects aimed at leveraging digital technologies to address social issues, in partnership with Nomura Research Institute, Ltd. and Fujitsu Limited. Participation in projects with strong social impact will serve as a major source of value in driving future growth.

In the End-User Business, we saw steady progress in our ongoing projects with retailers and financial firms. Among these, AEON Smart Technology Co., Ltd. recognized us for the second year in a row for our role in boosting customer satisfaction.

In the Service Providing Business, we launched a new service concept, H•CUBiC. The PoC[1] has progressed smoothly, and we are now seeing a tangible trajectory towards commercialization. H•CUBiC is a comprehensive platform for human capital management, offering SaaS[2]-based solutions, AI-powered analytics, and engagement improvement tools that exemplify future-oriented value creation.

In addition, in the domain of IT infrastructure cloud migration, we leveraged our high-level specialization in Oracle solutions and cloud infrastructure to mark achievements in migrating work systems to the cloud.

While FY2024 brought some measurable achievements, it was marked by unresolved challenges as well. We will leverage all of these experiences to serve as a foundation as we embark on the next stage of our growth journey.

[1] Proof of Concept: A verification process for new technologies and services
[2] Software as a Service: Software available via the Internet

Refining the value we deliver to continue serving as a preferred partner

In our role as a systems integrator, we maintain a high standard of service across all core functions, including consulting services grounded in customer insights, requirements definition, design and development, testing and deployment, operations and maintenance, and project management that meet or exceed industry norms.

However, amid intensifying competition in the information services sector, it is increasingly difficult to stand out based solely on functional value. Today, differentiation is increasingly achieved through "semantic value": intangible embedded philosophy and trustworthiness that go beyond mere specifications and price. For example, even for the same product or service, companies are expected to deliver value that taps into customer sentiment; in other words, "Why buy from this

company?" or "Why partner with this company?"

We have established ongoing business relationships with more than 40 leading companies to date. In recent years, we are increasingly being selected as a preferred consultation partner at the outset of critical new projects, indicating a strong preference to tap CUBE SYSTEM for consultations. We take this as a validation of the semantic value we have consistently delivered over time, and it affirms our standing as a trusted partner in the eyes of our clients. We are committed to improving our technical competencies as a form of functional value at the same time that we boost the semantic value that makes CUBE SYSTEM stand out as a preferred choice. Through this, we aim to achieve a sustainable competitive advantage and value creation.

Our sustained competitiveness and capacity for value creation are fundamentally driven by the strength of our human capital. I am convinced that we are embarking on a new era in which the strength of organizations will be defined by their capacity to bring a diversity of individuals together into a team, respecting individual strengths and characteristics and aligning collectively towards a shared direction. We aim to cultivate a team of engineers who can surpass client expectations. Beyond fulfilling the stated requirements, we want to anticipate latent demand and post-deployment risks, so that we can offer precise, forward-looking solutions. We firmly believe that this mindset embodies the essence of IT professionalism and is the path to earning client trust.

In addition, I hope we continue to serve as a company that goes above and beyond quality standards. As noted above, we seek to be an organization at which surpassing established standards is not exceptional, but a matter of course. In response to structural challenges such as a lack of human resources and rapid turnaround demands typical of systems integrators, we have continuously improved our business processes and organizational

management to foster a workplace where employees can fully leverage their capabilities.

In addition, I would like to outline my personal management style. I view the role of president as being more than a figurehead. My role is to provide clear guidance on the company's intended direction and the steps required to achieve it. I believe that consistently articulating our vision, Medium- to Long-Term Management Plan, and the business strategy derived from these generates significant momentum throughout the organization. Our philosophy only becomes truly meaningful when my words resonate with and are reflected in the actual work performed by each and every employee. That is why I strive to personally address our employees as often as I can, speaking clearly, repeatedly, and as thoroughly as possible.

I firmly believe that such consistency will play a meaningful role in bolstering employee engagement. Once my words resonate with employees and they recognize the relevance to their daily duties, and once that understanding permeates the workplace, the company begins to acquire a self-driven momentum. Achieving that state of affairs is not only my obligation as a leader, but also a source of personal satisfaction as a member of the management team.

I believe that receiving candid feedback or alternative views on my statements is not only a valuable starting point for meaningful discussion, it is also indicative of a forward-looking energy within the organization. My basic stance as a leader is to understand where the other party is coming from, and to work together with them in pursuit of the direction that is most beneficial for the organization. I remain committed to a leadership style grounded in both communication and conduct, advancing in unity with our employees.

Achieving the objectives of the Second Medium-Term Plan and leveraging management resources to maximum effect

Since the launch of V2026 in April 2021, we have witnessed substantial changes in the landscape around us, as well as in our internal organizational structures and employee mindset. In the external business environment, as technology evolves, social challenges grow more intricate, and work styles and values diversify, the expectations of corporations have undergone significant changes. Internally, we have seen meaningful shifts in employee mindsets and behaviors, which have markedly

elevated our collective strength and operational effectiveness. Initially this was met with confusion, with many employees asking, "What should we be doing?" or "How does my work tie back to the Medium-Term Management Plan?" These initial concerns have been overcome, however, and our goals are now clearly shared across the organization. Frontline-led value creation is picking up steam, and a framework to advance our growth strategy is steadily taking shape.

FY2025 marks the second year of the Second Medium-Term Plan. With steady progress this year, we expect to bring our final-year objectives within reach. Under the Second Medium-Term Plan, we are pursuing ambitious targets: 23.0 billion yen in net sales, 2.41 billion yen in operating profit, and a 10.5% operating margin, while also promoting individual growth and progressive workstyle reform. Achieving meaningful progress in this second year will undoubtedly lay a strong foundation for significant future growth.

In terms of "human capital," we are building a framework for educational opportunities and development pathways so that a diversity of individuals can realize their potential and contribute meaningfully. Our approach to human capital management promotes "quantitative expansion," "qualitative improvement," and "motivation improvement." From a quantitative perspective, we have built a strong base of skilled professionals who work together to refine their skills and specializations while engaging earnestly with customers. We believe that maintaining and advancing a positive cycle of human capital growth is fundamental to strengthening our competitive edge. From a qualitative perspective, we are actively promoting skill development by promoting professional certifications and implementing robust training frameworks. However, no matter how exceptional their skills, it will be difficult to win over customer trust and confidence unless our people visibly demonstrate that they are passionate and motivated. I believe that for a business to grow, it is essential that employees demonstrate their drive and maintain genuine engagement with customers. We aspire to be a company where highly motivated talent engages in vibrant, imaginative communication with customers to provide services of meaningful value.

To this end, we have established an Engagement Enhancement Committee that implements organizational initiatives led from the bottom up to foster a workplace where employees can thrive. These efforts also encompass material issues such as diversity and inclusion, and reflect our continued dedication to promoting health and productivity management and workstyle reform in line with our corporate values.

By transforming our accumulated intellectual capital into human and manufacturing capital, we will leverage our expanded management capital to generate new value.

In addition to human capital, we place strong emphasis on leveraging intellectual capital as a critical management resource. Through diverse client engagements, our broad project portfolio has yielded deep expertise and insights, essentially latent intellectual property assets that remain untapped. The question that remains is how we go about refining and giving shape to these raw assets. This is a wellspring of research and development that will lead to new lines of business. The full potential of intellectual capital cannot be unlocked by mere cataloging of past experiences. We must elevate the insights we have acquired, refining them into assets of greater value. For example, if our existing intellectual capital can be converted into productivity-enhancing processes and mechanisms, it will gain utility as manufacturing capital. If the knowledge embedded within our intellectual capital can be applied to employee development and skill enhancement, it can be leveraged to bolster our human capital. Achieving this requires that we visualize and understand our own experiences and strengths as an organization. To that end, we are documenting the achievements of past projects and the value delivered to clients in order to disseminate knowledge throughout the organization. These initiatives give employees tangible proof of their proudest achievements. For the company as a whole, they serve as a key measure underpinning value creation.

To our stakeholders

To foster a deeper understanding of our growth potential among shareholders and investors, I have gone beyond reporting performance metrics, using integrated reports and other tools to complement financial results and articulate the growth story moving forward. To achieve dramatic growth, we intend to further strengthen our commitment to sustainability management and well-being management, ensuring that employee health and motivation are actively supported, and that our growth story reflects long-term resilience and integrity.

Through these initiatives, we seek to build stakeholder confidence in CUBE SYSTEM's ability to convert management challenges into growth opportunities, while positioning ourselves as a company capable of realizing that potential.

We remain deeply grateful for your unwavering support and we kindly request your ongoing assistance moving forward.

中西 雅洋

Masahiro Nakanishi
Representative Director and President

Strengths of CUBE SYSTEM

We provide value to society through system solutions that leverage the strengths of our organization, acquired through the implementation of our Management Philosophy and Basic Policy, and the skills developed by each of our employees.

Strength 1 — Stable Customer Base

Related Capital: Manufacturing Capital   Social and Relationship Capital

Since the 1980s, we have continued to see stable growth with Fujitsu Limited and Nomura Research Institute, Ltd. as our main clients. In addition, we have delivered solutions to a broad range of industries, building out a robust framework capable of adapting to social changes.

Number of clients (End users as of FY2024)

More than 15 years of trading experience:	More than 10 years of trading experience:	More than 5 years of trading experience:
18 companies	**29** companies	**43** companies

Strength 2 — Balancing Systems Technologies with an Understanding of Customer Needs

Related Capital: Human Capital   Manufacturing Capital

Our professional human resources, who specialize in system development technologies and are well-versed in our customer's businesses, make system proposals rooted in a customer-first perspective.

Number of qualified employees

Applied IT engineers	Qualified employees related to customer businesses
143	**153**

(Total number of qualifications held by employees related to customer businesses)

Strength 3 — Ability to Propose Solutions for and Respond to Customer Needs

Related Capital: Human Capital   Manufacturing Capital

Employees themselves become the customer representatives and directly approach the customer's issues. We deliver solutions at the required level of quality based on know-how and technical capabilities accumulated through experience in a diverse range of industries.

Area of expertise	Technical specialization
Maintenance and operation (system enhancement), database performance design, system migration to the cloud	Oracle, AWS, Java, Python, Blockchain, etc.

Strength 4 — Development of Offshore & Nearshore Frameworks

Related Capital: Human Capital   Manufacturing Capital   Social and Relationship Capital

The CUBE SYSTEM Group provides services across seven domestic and international bases. We coordinate across bases to rapidly build the frameworks required to execute projects in line with each customer's situation and requirements.

Number of bases (As of March 31, 2025)

Domestic	Overseas
5 bases	**2** bases
Hokkaido, Tokyo, Nagoya, Osaka, Fukuoka	Vietnam, China

Strength 5 — Development of Solutions Leveraging IT

Related Capital: Intellectual Capital

We conduct research and development into solutions that keep pace with a changing world based on the expertise we have accumulated.

- "Smile Share Products" oriented toward contact-free communication and enhancing engagement
- InCUBEator, interactive AI application
- H•CUBiC for multi-faceted support for human capital management

InCUBEator — Chat / Image generation / Regulations and guidelines
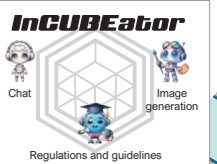
Strength 6 — Dialog with Stakeholders

Related Capital: Social and Relationship Capital   Natural Capital

We place great importance on building relationships with stakeholders, and we continue to build trust through continuous dialogue with employees, local communities, clients, shareholders, and subcontractors.

Katarou-kai with the President

Briefing session for subcontractors

Source of Our Strength —Basic Policy—

Customer first	The ability to act with initiative in addressing a customer's underlying needs
Clear prioritization	A disciplined approach to resource optimization and strategic prioritization
Company-wide sales-minded approach	The sales ability of all employees to execute business tasks with a business sense

Leveraging solution capabilities to empower society and drive human connection

Value Creation Model

Each of our employees contributes to society through our business activities with the aim of increasing our corporate value.

The opinions from our stakeholders are reflected in our business management and we will disseminate our value creation model to achieve sustainable growth to resolve social issues and contribute to SDGs.

INPUT

Social Issues

- Global warming
- Technological innovation
- Cyber security
- Falling birthrate and aging population (decrease of working-age population)
- IT literacy
- Deterioration of the social infrastructure
- Rise in natural disasters and terrorist acts

Materiality
p. 25

1
Creating the future of society through our DX business

2
Offering safe and secure systems using cloud technology

3
Contributing to client systems through software engineering

4
Solving social issues through business activities, such as reinforcement and improvement of value creation platforms

Human Capital
p. 40
Total number of employees (consolidated)
918

Intellectual Capital
p. 45
Growth investment: **98** million yen
Business partnerships: **3**

Manufacturing Capital
p. 47
Domestic: **5** bases
Overseas: **2** bases
* Including subsidiaries

Social and Relationship Capital
p. 49
Length of continuous business transactions (end users)
More than 15 years: **18** companies
More than 10 years: **29** companies

Natural Capital
p. 51
Energy consumption:
687,355 kWh

Financial Capital
p. 53
Total net assets: **10.8** billion yen

BUSINESS ACTIVITY

V2026

Contribute to society through the proposal of high value-added IT solutions that leverage our know-how accumulated in system contract development.

Business growth

SIer Business
Explore various industries/businesses and new technologies

End-User Business
Acquire new areas

Service Providing Business
Customer co-creation business
Development of a menu of services
IP provision

Expand scale and revenue — End-User Business

Achieve sustainable net sales and profits — Service Providing Business

Continuous, stable revenue growth — SIer Business
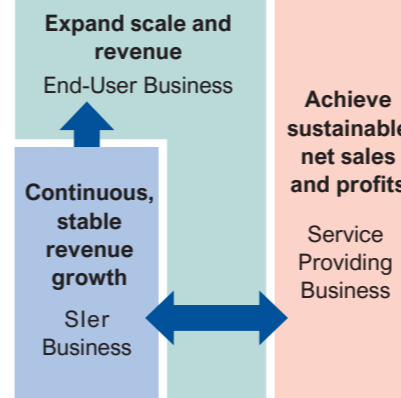
Business Strategy Roundtable Discussion p. 33

Strengthening business foundations
Quality enhancement
Expansion of development organization and facilities
Promotion of collaboration
Research investment

Strengthening management foundations
Enhancement of human capital
Internal control/Governance
Corporate culture reform

Corporate and Employee Code of Conduct

make CHANCE from CHANGE

Communication & Mutual Respect

OUTCOME

Creation of Financial Value
p. 30, 32

<Business>
Net sales .... **18.3 billion yen**
Operating margin **7.5%**

<Productivity>
Net sales per capita ... **23.67 million yen**

<Capital Efficiency>
ROE **12.0%**

<Returns to Shareholders>
Dividend payout ratio **47.7%**
DOE **6.0%**

Creation of Non-Financial Value
p. 32

<Empowerment of Women>
Ratio of female employees in manager posts **9.8%**

<Gender Gap in Wages>
All workers **85.2%**

<Work-life Balance>
Overtime hours (monthly average) .... **30.4 h**
Ratio of employees taking annual paid leave ... **77.0%**

<Human Resources Development>
Days of education/training per employee (including self-development) ... **12 days/year**

<Environment>
GHG emissions
Scope 1, 2 .... **118 t-CO$_2$**
Scope 3* .... **3,963 t-CO$_2$**
* Scope 3 covers only Category 1 (purchased products and services).

Contribution to SDGs

Vision

Solving social issues through software engineering

Value provided to stakeholders
p. 19
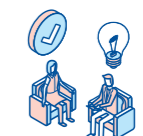
- **Employees**
- **Customers**
- **Shareholders and investors**
- **Subcontractors**
- **Society**

Realizing an affluent life for stakeholders

Value Provided to Stakeholders by CUBE SYSTEM

We are engaged with a variety of stakeholders through our business. We place importance on offering appropriate values to our stakeholders to achieve the sustainable growth of our company.

Employees

CUBE SYSTEM Group employees and their families

Values to offer
- Offering opportunities for self-development
- Better workplace environment for employees
- Diverse workstyles

Major efforts
- Our approach toward human resources .... p. 40
- Human resources development .... p. 41
- Empowerment of women / Establishment of the business support group .... p. 43
- Approach to health and productivity management...... p. 44

Value provided by CUBE SYSTEM

Solving social issues with

Broad-reaching technical skills

×

Industry knowledge

×

Optimal proposal capabilities

Customers

All clients to whom we offer system solution services

Values to offer
- High-quality services
- Promotion of DX
- Improvement of satisfaction

Major efforts
- Promotion of research and development ...... p. 46
- Basic approach of quality management ...... p. 47
- F@CE-DX, system enhancement services and offshore & nearshore development .... p. 48
- Customer satisfaction survey .... p. 49

Shareholders and investors

Shareholders, and individual and institutional investors

Values to offer
- Maintenance and improvement of sound and secure financial structure
- Stable dividends
- Sufficient dialogue opportunities

Major efforts
- Enhancement of capital returns / Dividend policy...... p. 54
- IR activities
  - Financial results briefings
    We hold financial results briefings for institutional investors at the end of each second quarter and at the year-end settlement.
  - IR meetings
    We hold IR meetings when requested by institutional investors.
  - Seminars for individual investors
    We hold webinars for individual investors and produced and released a quick IR video for individual investors

Subcontractors

All subcontractors who work together on projects

Values to offer
- Stable orders
- Development of the technical capabilities of subcontractors' employees
- Maintaining healthy relationships

Major efforts
- Business strategy briefing for subcontractors ...... p. 50
- Information sharing sessions
  Hosting advanced technology study sessions for subcontractors
- Subcontractor hotline established .... p. 63

Society

An IT society that utilizes system solution services, etc.

Values to offer
- Stable system provision and robust security
- Contribution to local communities and developing next generation human resources
- Addressing environmental problems and climate change

Major efforts
- Quality management system .... p. 48
- Environmental management / Efforts for TCFD .... p. 51
- Information security - Basic approach and policy ...... p. 61
- Developing next generation human resources
  Since 2016, we have been sponsoring endowed courses in Toyo University with the aim of contributing to human resources development for solving issues related to communities, information, and energy, as well as promoting globalization and engagement with local communities. We also work to develop the next generation of IT professionals by offering a 5-Day Internship program to experience the role of a system engineer.
- Contribution to local communities
  Endorsing corporate efforts to contribute to communities, we participate in community clean-ups and offer workplace experience. In February 2025, we offered cooperation in "Company Information Session and On-site Work Experience" held by a local junior high school where our system engineers explained their work.

Response to Major Risks and Opportunities

To identify important issues (materiality), we analyzed and evaluated our group's risks and opportunities posed by changes in the external environment. We continue to assess risks and opportunities in order to reflect them on our efforts concerning the important issues (materiality) so that they can lead to creation of new profitable business possibilities.

External factors	Opportunities	Risks	Measures for risks and opportunities	CUBE SYSTEM's materiality
Global warming	● Increase in demand for energy-related services ● Shift to more power-efficient cloud systems	● Introduction of carbon tax ● Communication issues due to increase in remote working ● Decrease in evaluation from customers and investors for being unresponsive to climate change ● Extreme weather (damage from storms) ● Rise in average temperatures	● Consideration for the global environment ……………………… p. 51 ● Endorsement of the TCFD ……… p. 51	In response to risks and opportunities associated with climate change, the Company is strengthening environmental management to reduce its energy consumption and environmental impact. In parallel, it is leveraging DX and system development to provide decarbonization solutions that contribute to the advancement of a decarbonized society.	**1** **Creating the future of society through our DX business**
Technological innovation	● Increasing need for DX technology ● Creating new business models	● Lowering competence from delaying adoption of new technologies ● Occurrence of a project creating a budget deficit ● Delay in delivery ● Failure in system operations ● Insufficient number of experts ● Unpredictable security incidents	● Implementing quality management… p. 48 ● Reinforcing information security … p. 61 ● Investment in research and development ……………………… p. 45 ● Promoting measures to reinforce collaborations with customers …… p. 49	In response to rapid technological innovation in generative AI and other areas, the Company is reinforcing its efforts in advanced technology research and human resources development. Through the provision of new service businesses in the DX and cloud fields, the Company delivers solutions that address customer challenges and enhance corporate value.	**2** **Offering safe and secure systems using cloud technology**
Cyber security	● Increasing need for information security services	● Information leakage due to cyberattacks, etc. ● Human-made security incidents	● Reinforcing information security … p. 61	In response to the growing importance of cyber security, the Company is working to preserve and establish governance structures and secure cutting-edge technologies to protect customer information assets and cultivate new business opportunities.	
Falling birthrate and aging population (decrease of working-age population)	● Active participation of diverse human resources ● Improving human resources system ● Active participation of senior-age employees	● Insufficient IT human resources ● Brain drain (IT engineers) ● Productivity decrease due to lack of human resources ● Increase in costs to secure human resources	● Setting career fields that clarify directions and goals for employees to aim at …………………………… p. 41 ● Building a new human resources system ………………………… p. 40 ● Promoting human resources development ……………………… p. 40	In response to labor and engineer shortages brought on by a falling birthrate and aging population, the Company is promoting enhanced human resource development and operational streamlining. The Company aims to address social issues and enhance corporate value by offering IT training opportunities to a diverse range of human resources and delivering new customer-facing solutions.	**3** **Contributing to client systems through software engineering**
IT literacy	● Creating competent services utilizing IT experts ● Securing diverse human resources ● Creating IT education opportunities in society	● Insufficient IT human resources ● Insufficient development of IT experts ● Difficulty in offering services due to lack of human resources			
Deterioration of the social infrastructure	● Increasing need for renewal of existing systems ● Development of smart cities utilizing DX technologies	● Failure or suspension of systems provided by us ● Unstable operations of systems	● Implementing quality management… p. 48	The Company sustains and manages social infrastructure by leveraging the latest in DX technologies and advanced quality management to ensure safety and foster new business development.	**4** **Solving social issues through business activities, such as reinforcement and improvement of value creation platforms**
Rise in natural disasters and terrorist acts	● Increasing need for transfer to the cloud environment ● Increasing need for multiple production sites	● Suspension of service due to physical damage to production sites ● Decrease in safety and productivity of employees ● Decrease in customers due to business activity suspension	● Reinforcing risk management …… p. 59 ● Enhancing production sites ……… p. 48 ● Utilizing system enhancement services and offshore …………… p. 48	To address the rise in natural disasters and terrorist acts, the Company aims to strengthen business continuity and maintain public trust by reinforcing its risk management and enhancing production sites.	

Important Issues to Be Addressed by Sustainability Management

To promote sustainability management, we identified the important issues (materiality) on which we need to focus. By promoting our business to resolve these social issues and meet customer needs, we plan to increase our corporate value and contribute to building a sustainable society.

CUBE SYSTEM Group's Sustainability Management

Social life has changed significantly and so has people's demand for products and services. Companies that provide such products and services are now working hard to achieve business and process transformation through DX. We support these companies' DX by utilizing our advanced software engineering skills. We pursue our sustainability management by regarding social issues that our customers face as a business opportunity.

Sustainability Management Basic Policy

CUBE SYSTEM Group understands the responsibilities and roles it must fulfill for the development of society and works on improving its corporate value and resolving social issues with the business and community activities of each and every one of its employees.

Sound business management
● Achieve highly effective, transparent and reliable business management by sharing its empathy, thoughts and co-creation ideas with all of its stakeholders.

Compliance
● Execute its business activities with transparency, equity and integrity in compliance with social norms.

Respect for human rights
● Support international norms on human rights and respect human rights in all its business activities.

Fair trade
● Reinforce its trust with business partners through free and equitable competition and fair trade.

Sustainable services
● Contribute to the growth of our clients' businesses and maximize client value.
● Provide services with originality, innovativeness and high added value.

Workplace that nurtures work fulfillment
● Build and develop workplaces where diverse employees are able to work with a sense of fulfillment, as well as sound mental and physical health, and where each employee can exert their own distinctive characteristics and capabilities to the full extent.

Contribution to local communities and society
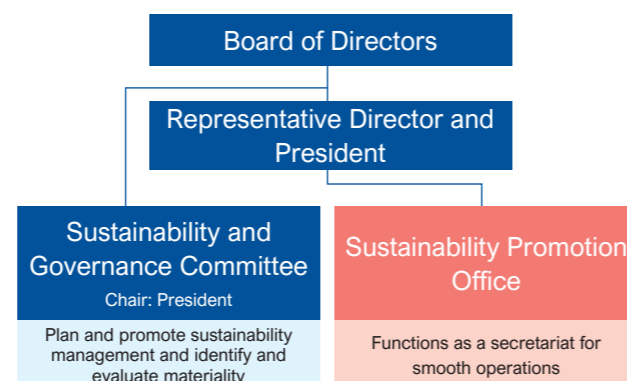● Contribute to the development of lively and comfortable local communities and societies.

Environmental preservation
● Practice environmentally friendly management through business activities to contribute to reducing the environmental impact and developing a sustainable society.

Sustainability Promotion Structure

We established the Sustainability and Governance Committee, chaired by the President, in order to drive forward our sustainability management. The business management system of the Group is established with this Committee in its center.

Sustainability promotion structure

Board of Directors

Representative Director and President

Sustainability and Governance Committee
Chair: President
Plan and promote sustainability management and identify and evaluate materiality

Sustainability Promotion Office
Functions as a secretariat for smooth operations

Important Issues Addressed by Sustainability Management

We identified the important issues to be addressed by our sustainability management through which we practice our Management Philosophy and achieve our Medium-to Long-Term Management Plan.

Important issue analysis

Materiality matrix

Important issue identification process

STEP 1
Materiality assessment from the stakeholders' viewpoint
(1) Regarding 169 SDGs targets as social issues that we should address, we assessed their materiality to us.
(2) Assuming the ESG assessment items listed in the FTSE and DJSI rankings to be external stakeholders' viewpoints, we weighed the materiality of the 169 SDGs targets as social issues to stakeholders.

STEP 2
Materiality assessment from CUBE SYSTEM's viewpoint
To understand the materiality to us, we weighed the SDGs targets as we did in STEP 1 based on the services we provide and the Medium- to Long-Term Management Plan.

STEP 3
Mapping
We mapped the points obtained in STEPS 1 and 2 in the above matrix to identify especially important issues.

STEP 4
Determination in the Sustainability and Governance Committee
The Sustainability and Governance Committee discussed the results and determined the important issues.

Matters up for discussion by the Sustainability and Governance Committee

In line with its sustainability policy, the Sustainability and Governance Committee promotes initiatives for health and productivity management, monitors and supervises efforts related to GHG emissions reduction, and receives reports on the execution status of executive officers as a means of advancing efforts toward sustainable growth.

Contribution to SDGs

Building a sustainable society as the aim through achieving SDGs is closely related to practicing our Management Philosophy.

We will contribute to achieving SDGs by creating and offering high value-added IT services not only to customers, but also to customers' individual stakeholders and to society as a whole.

Initiatives addressing SDGs

The Company has succeeded in curtailing food loss and has reduced its environmental impact through the introduction of a proprietary-developed AI-driven automated ordering support system. The solutions the Company provides also contribute to addressing management issues tied to SDGs shared by our customers.

Important Issues to Be Addressed by Sustainability Management

Important Issues (Materiality) to Be Addressed

Important issue

1   **Creating the future of society through our DX business**

While IT is rapidly advancing, we are aware of the need to utilize such technologies safely and effectively through novel perspectives. We are offering various IT solutions to society, such as by building a new business model utilizing DX technology to establish a convenient and comfortable society.

Important issues (materiality)

Contribute to development of customers' business through innovative businesses and services co-creating with customers and subcontractors.
- Promote Smile Share Products
- Promote IP conversion and product conversion
- Promote consulting collaboration and DX/AI business

Major initiatives in FY2024

- Conceptualization of H•CUBiC
  Announced a service concept facilitating human capital management. Plans for rollout as a total support solution encompassing everything from system deployment to operational support beginning in FY2025
- AI business
  Promoted the use of InCUBEator, a ChatGPT agent for internal use. Research and development into business solutions. Promotion of automation to enhance productivity

Important issue

2   **Offering safe and secure systems using cloud technology**

Against the backdrop of emerging risks, along with ongoing changes in society, such as cyberattacks on data servers and recurring natural disasters, there is an increasing demand for system security. We aim to establish a safe and secure society by offering systems based on multi-cloud and micro services.

Important issues (materiality)

Provide platforms to run businesses with higher reliability to contribute to quality improvement of business activities.
- Provide new services based on multi-cloud and micro services
- Provide system security through co-creation with cloud vendors
- Provide new services through product consultation and reforming system operation models

Major initiatives in FY2024

- Addressed customers' DX needs (material business issues) through building micro service-based cloud systems.
- Collaborated with cloud vendors to develop more reliable systems with better quality. Actively trained DX engineers who can work with vendors.
- Surveyed and assessed SaaS-related technologies and developed system solutions that can be adopted into our services.

Important issue

3   **Contributing to client systems through software engineering**

Improvement and streamlining of continuously running systems are necessary to respond to changes in our customers' business and internal environments. We aim not only to contribute to our customers' systems through our software engineering, but also to offer convenience and comfort to people and society beyond.

Important issues (materiality)

Contribute to maintaining, improving, and streamlining client system operations through our software engineering expertise.
- Pursue high productivity and high added-value

Major initiatives in FY2024

- Promoted three business measures: New system enhancement business models, improving our corporate added-value by enhancing their profitability, and improving our productivity by enlarging our service coverage.
- Contributed to maintain, improve, and streamline client system operation, especially with new system enhancement business models, by enabling multitasking, automation, and utilization of overseas resources.
- Implemented business activities with a view to system enhancement after development, in line with the expansion of development bases centered on the Software Development Division.

Important issue

4   **Solving social issues through business activities, such as reinforcement and improvement of value creation platforms**

We contribute to resolving social issues such as a falling birthrate and aging population, deteriorating social infrastructure, and climate change by nurturing human resources, quality, and subcontractor collaboration, which are the foundation for value creation.

Important issues (materiality)

We provide safe and secure high-quality services through a sound supply chain. We also maintain transparent corporate governance by practicing the spirit of diversity and inclusion, and employing and training diverse professional human resources.
- Improve quality and productivity through closer collaboration with subcontractors
- Improve quality in projects and development processes
- Constantly develop human resources and support for growth across various career fields
- Reform working styles to enable active participation by diverse human resources
- Strengthen corporate governance, maintain sound compliance, reinforce information security measures, and minimize environmental impact

Major initiatives in FY2024

- Reinforced collaboration with subcontractors.
- Improved the System Development Committee and improved project quality by reinforcing the functions of the Project Management Office (PMO).
- Introduced a stock compensation plan for employees
- Reorganized the working environment and improved working hours and work quality.

Evolution of the Medium- to Long-Term Management Vision

V2020 (FY2012-FY2020)

Striving to be the best partner for customers

Striving to create a corporate culture that promotes both individual and organizational growth

Step 1
First Medium-Term Plan
(FY2012-FY2014)
Enhance our strengths

Step 2
Second Medium-Term Plan
(FY2015-FY2017)
Launch the SI Business

Step 3
Third Medium-Term Plan
(FY2018-FY2020)
Create a menu of services

V2026 (FY2021-FY2026)

All of our employees will contribute to society through our business activities to increase our corporate value

First Medium-Term Plan
(FY2021-FY2023)
Building management/ business foundations Period of transformation to new business domains

Second Medium-Term Plan
(FY2024-FY2026)
Tying transformation to outcomes, **accelerating growth**
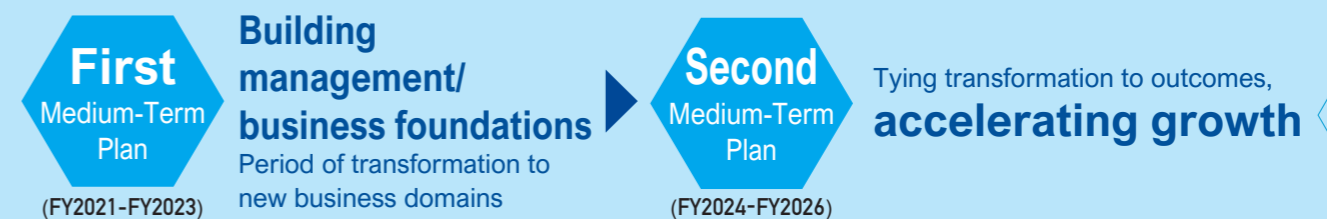
Business policy

Build a management platform that achieves double digit net sales growth, drives sustainable profit, and enhances corporate value

Promote an organizational culture that encourages bold challenges and deliver industry-leading performance

Contribute to the development of customers' businesses and maximize customer value by creating a menu of new services and enriching our service business while expanding SI and service-based business operations

Employees think and act on their own initiative, pursuing their own ambitions and applying their own business mentality.
Achieve business growth through planning- and contract-based businesses.

Performance indicators

	Target	Final year
Net sales	12.0 billion yen	12.5 billion yen
Operating margin	7.5 %	7.7 %

	Target	Final year
Net sales	15.0 billion yen	13.5 billion yen
Operating margin	9 %	6.3 %

	Target	Final year
Net sales	18.5 billion yen	14.7 billion yen
Operating margin	9.6 %	7.9 %

	Target	Final year
Net sales	19.0 billion yen	18.0 billion yen
Operating margin	9 %	8.5 %

Vision

Second Founding

Business activities with solid fundamentals —Trust and quality—

Dramatic growth

Financial targets

Net sales
23.0 billion yen

Operating margin
10.5 %

ROE
14.0 %

High-priority measures

Enhance the strengths of existing businesses
- Introduce a division structure based on industry orientation
- Enhance the competitive advantages of the System Enhancement Business and create industry-focused SE

Establish a framework for receiving large-scale SI orders
- Develop and secure human resources equipped to lead the SI Business
- Strengthen project management functions

Strengthen response to changes in the market environment and customer needs
- Strengthen and expand our overseas business presence (China/Vietnam)
- Strengthen our competitive edge through investment in advanced technologies

Expand core business and new business creation
- Enhance account strategy
- Promote the SI Business
- Promote new business

Strengthen technical capabilities/ proactive investment
- Rigorous commitment to ensuring quality and productivity
- Strengthen our competitive edge through R&D
- Industry-government-academia coordination

Strengthen management foundations
- Workstyle reform
- Governance strengthening
- Fostering of a CUBE-esque workplace culture

Domestic business/overseas business
- Enhance the revenue base through business model transformation
- Leverage our strengths to expand businesses into areas of growth
- Achieve global business expansion with Asia as our base

New business development/technical investment
- Actively invest in technologies to drive service creation optimized for originality, innovativeness, and high added value

Management foundation
- Enhance customer satisfaction through work process innovation
- Strengthen governance functions for promoting growth

Domestic business/overseas business
- Enhance the brand value of the Digital Business
- Expand the scale of the SI Business
- Improve profitability in the System Enhancement Business
- Implement initiatives for new business and brand creation

Management foundation
- Promote reform toward systematic quality control
- Comprehensive, structural human resources development
- All-encompassing corporate governance controls

Net sales composition by business model

- Digital Business
- SI Business
- System Enhancement Business

Business portfolio
4 : 4 : 2 model

V2026

Business portfolio 2026
6 : 3 : 1 model

Net sales per capita 30 million yen

	FY Mar. 2021	FY Mar. 2027	Long-term target
Digital Business	1%	10%	20%
SI Business	16%	30%	40%
System Enhancement Business	83%	60%	40%

Non-financial targets

Overtime hours
25 h/month[1]

Fulfillment
71 +[2]

[1] Calculated based on overtime hours (over 7.5 hours). The figure is an average for all employees, including exempt employees and managers.
[2] Surveyed among CUBE SYSTEM's employees using Wevox, an engagement analysis tool provided by Atrae, Inc.

Results

Established a new Quality Coordinator team to enhance project control capabilities for large-scale SI project execution

As part of efforts to address challenges in the SI Business, proactively addressed business model reforms and foster new business creation, including project development and new customer acquisition

Expanded to new growth areas, achieved business model reforms, and expanded overseas business operations

Established the foundation for business growth through the formation of business assets for transformation into new businesses, as well as on the design of systems and the development of structures for business promotion

Issues

- Break away from labor-month business
- Internal development capabilities with a competitive edge
- Develop and cultivate subcontractors, and develop overseas subsidiaries

- Capture new customers
- Further improve quality and productivity

- Secure human resources
- Expand to new business domains
- Develop a unique menu of services
- Build and manage career progression pathways

- Reinforce development organization and facilities
- Quality enhancement
- Securing human resources
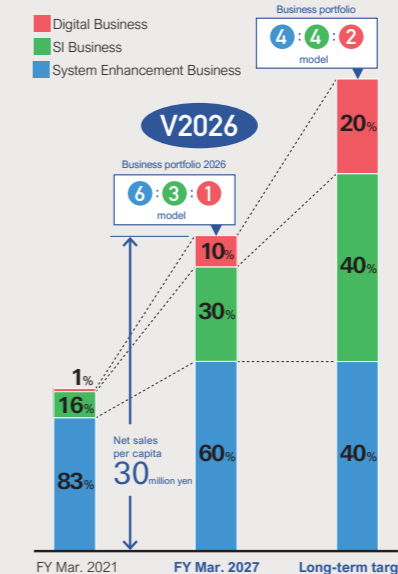- Intellectual property development and research investment

Evolution of the Medium- to Long-Term Management Vision

Vision: Second Founding
— Solid Fundamentals for Dramatic Growth —

In the Second Medium-Term Plan, we set the basic policy as the "Second Founding: Solid Fundamentals for Dramatic Growth," and will work to build a foundation by emphasizing trust and quality as the basis for new business expansion and overall scale expansion. In addition to the three business models proposed in the First Medium-Term Management Plan, we will accelerate our business growth by promoting specific measures in three business styles: SIer Business and End-User Business which group contract-based businesses according to customer style, and Service Providing Business which is our planning-based business.

Second Medium-Term Plan Overview

Maximize corporate value by achieving business activities with solid fundamentals and dramatic growth

Improve profitability as a business

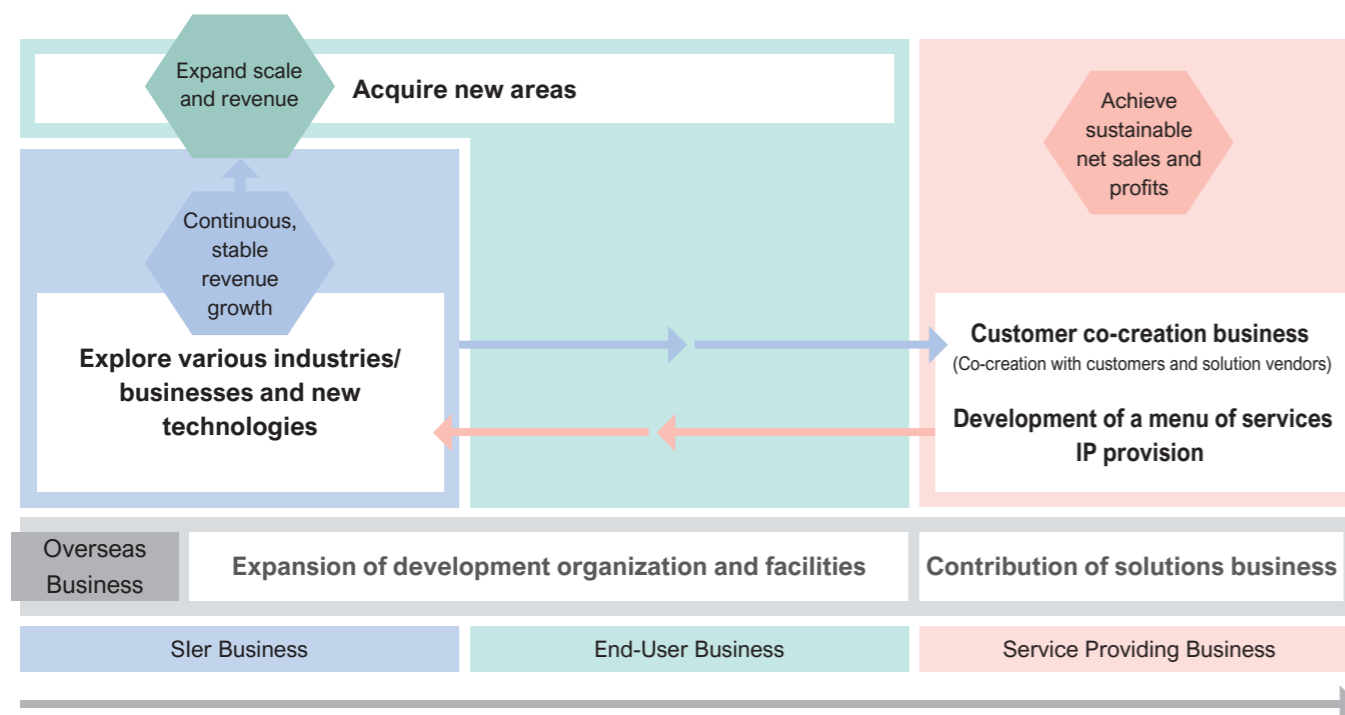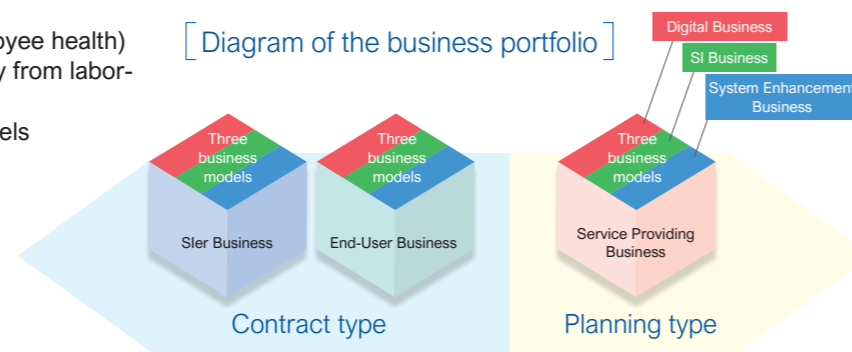**Promote wellbeing management and make the company a fulfilling place for employees to work**

Basic Approach

- Wellbeing management (emphasis on employee health)
- Change management's mindset (break away from labor-month business and passivity)
- Take on the challenge of new business models

Key Issues

- Shift from partial to total optimization
- Invest aggressively in growth
- Accelerate decision making

Diagram of the business portfolio

- Digital Business
- SI Business
- System Enhancement Business

Three business models — SIer Business / End-User Business — Contract type

Three business models — Service Providing Business — Planning type

---

Expand scale and revenue — **Acquire new areas**

Continuous, stable revenue growth

Explore various industries/ businesses and new technologies

Achieve sustainable net sales and profits

Customer co-creation business
(Co-creation with customers and solution vendors)

Development of a menu of services IP provision

Overseas Business | Expansion of development organization and facilities | Contribution of solutions business

SIer Business | End-User Business | Service Providing Business

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	First Medium-Term Plan results	Second Medium-Term Plan results	Second Medium-Term Plan target		
	FY Mar. 2024	FY Mar. 2025	FY Mar. 2026	FY Mar. 2027	Compared to FY Mar. 2025
Net sales (billion yen)	18.02	**18.35**	19.5 (6.3% increase from the previous period)	**23.0** (17.9% increase from the previous period)	CAGR 12.0%
Digital Business	0.56	**0.80**	1.6	**2.5**	
SI Business	6.67	**6.23**	8.5	**7.5**	
System Enhancement Business	10.78	**11.30**	9.4	**13.0**	
SIer Business	13.91	**13.88**	14.8	**17.25**	CAGR 11.5%
End-User Business	3.51	**3.66**	3.7	**4.5**	CAGR 10.8%
Service Providing Business	0.59	**0.80**	1.0	**1.25**	CAGR 24.7%
Operating profit (billion yen)	1.53	**1.38**	1.75	**2.41**	CAGR 32.1%
Operating margin (%)	8.5	**7.5**	9.0	**10.5**	+3.0 pt
Number of employees (Domestic) (people)	740	**775**	815	**920**	—
Net sales per capita* (million yen)	24	**23**	24	**25**	—

* Calculated based on the number of employees (Japan)

High-Priority Measures

Business foundation

- Promotion of collaboration
- Reinforcement of development organization and facilities
- Quality enhancement
- Research investment

Management foundation

- Enhancement of human capital
- Internal control/Governance
- Corporate culture reform

Results of High-Priority Measures

Promotion of collaboration

- Advanced ongoing collaborations in one-stop services and new domains
- Conceived of new businesses and process transformation leveraging AI
- Collaborated with solution vendors

Reinforcement of development organization and facilities

- Strengthened coordination with CUBE SYSTEM VIETNAM CO., LTD. (Promoted offshore initiatives to invite 20% of CUBE SYSTEM VIETNAM's workforce to Japan)
- Office expansion at domestic and international bases (Vietnam, Shinagawa Innovation Hub)

TOPICS

Opening of the Shinagawa Innovation Hub

The Shinagawa Innovation Hub opened in September 2025 as a new development base.

Alongside a development room accommodating more than 400 workstations, the facility also incorporates meeting and office spaces thoughtfully designed to enhance internal collaboration. Moving forward, we will look to provide value-added services from a comfortable working environment complete with a refreshment area focused on individual relaxation.

Evolution of the Medium- to Long-Term Management Vision

Results of High-Priority Measures

Quality enhancement

- Quality issues stemmed from the occurrence of projects creating a budget deficit
- Issues with risk assessment on certain small and medium-sized projects

Research investment

- Develop the components of H•CUBiC (HCA)
- Promote research and development through internal recruitment
- Invest in operational streamlining using generative AI
- Expand the scope of in-house products with a view to enhancing engagement

Reference:
"H•CUBiC Services to provide multifaceted support for human capital management" (October 23, 2024; Press release in Japanese)
https://ssl4.eir-parts.net/doc/2335/tdnet/2512582/00.pdf
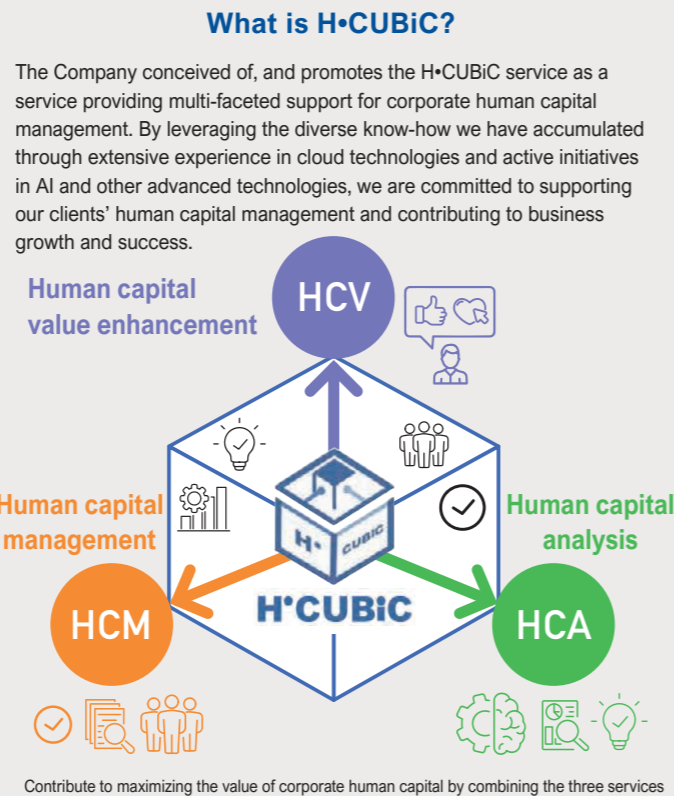
Enhancement of human capital

- Ongoing new graduate recruitment at a certain scale
- Outcomes from mid-career hiring for professional positions
- Improve employee benefits through the implementation of a new human resources system
- Promote engagement enhancement measures
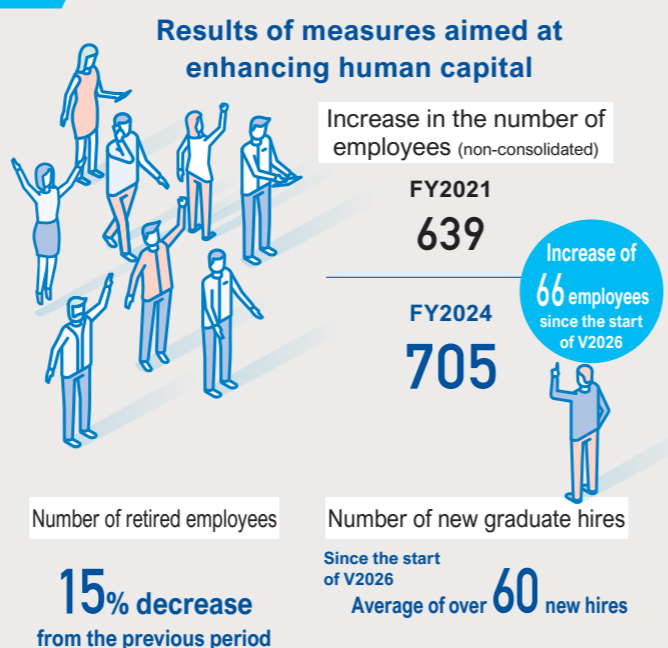- Clarification of employee career fields

Internal control/Governance

- Despite progress in reducing average overtime, high workloads among certain managerial staff remain a challenge

Corporate culture reform

- Expand areas of communication and the development environment

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TOPICS

What is H•CUBiC?

The Company conceived of, and promotes the H•CUBiC service as a service providing multi-faceted support for corporate human capital management. By leveraging the diverse know-how we have accumulated through extensive experience in cloud technologies and active initiatives in AI and other advanced technologies, we are committed to supporting our clients' human capital management and contributing to business growth and success.

HCV — Human capital value enhancement

HCM — Human capital management

HCA — Human capital analysis

H•CUBiC

Contribute to maximizing the value of corporate human capital by combining the three services

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TOPICS

Results of measures aimed at enhancing human capital

Increase in the number of employees (non-consolidated)

FY2021
639

FY2024
705

Increase of **66** employees since the start of V2026

Number of retired employees
15% decrease from the previous period

Number of new graduate hires
Since the start of V2026 Average of over **60** new hires

Key Performance Indicators

	Key performance indicators (KPIs)	First Medium-Term Plan results	FY Mar. 2025	Second Medium-Term Plan target
Financial				
Capital efficiency	ROE	10.8%	12.0%	14.0%
Productivity	Net sales per capita	24.3 million yen	23.6 million yen	25.0 million yen
Business model reform	Ratio in net sales	SI Business +4.1 billion yen (Compared to FY2020)	End-user project +0.14 billion yen Services provision +0.21 billion yen	End-user project +1.2 billion yen Services provision +0.5 billion yen
Growth potential	Net sales CAGR	6.8%	—	Approx. 8.5%
Profit indicator	Operating margin	8.5%	7.5%	10.5%
Shareholder returns	Dividend payout ratio	49.7%	47.7%	50%
	DOE	5.4%	6.0%	7.0%

		Key performance indicators (KPIs)	First Medium-Term Plan results	FY Mar. 2025	Second Medium-Term Plan target
Non-financial					
Diversity promotion	Empowerment of women	Ratio of female employees in manager posts	10.3%	9.8%	15.0%
		Ratio of women among assistant managers	18.6%	20.0%	30.0%
	Gender gap in wages*1	All workers	85.7%	85.2%	—
		Regular workers	85.8%	85.6%	—
		Part-time/temporary workers	84.5%	73.9%	—
Workstyle reform	Work-life balance	Overtime hours (monthly average)*2	33.6 h	30.4 h	25 h
		Ratio of employees taking annual paid leave	71.3%	77.0%	70%
		Ratio of male employees taking childcare leave	64.7%	90.9%	70%
	Health and productivity management	Education and encouragement of all employees for health	—	—	—
		Ratio of highly stressed employees	15.2%	13.2%	10% or less
	Engagement	Ratio of employees with work fulfillment (Wevox score)	Fulfillment: 64	Fulfillment: 61	Fulfillment: 71+
		Engagement (Wevox score)	Relationships: 75 Organizational culture: 71	Relationships: 73 Organizational culture: 69	Relationships: 80 Organizational culture: 80
Human resources development		Ratio of employees taking IT skills training	96.3%	93.0%	100%
		Promoting qualifications (Advanced/Applied Information/AWS/Oracle Cloud)*3	Advanced — Applied Information 18.6% AWS 4.0% Oracle Cloud 3.4%	Advanced 5.1% Applied Information 18.0% AWS 4.6% Oracle Cloud 2.9%	Advanced 10% Applied Information 25% AWS 10% Oracle Cloud 10%
		Days of education/training per employee (including self-development)	5.5 days/year	12 days/year	10 days/year
Environment		GHG emission targets (Scopes 1, 2, 3) (Base year: FY2020)*4	Scope 1, 2: 237 t-CO$_2$ Scope 3: 5,398 t-CO$_2$	Scope 1, 2: 118 t-CO$_2$ Scope 3: 3,963 t-CO$_2$	Scope 1, 2: 227 t-CO$_2$ Scope 3: 4,004 t-CO$_2$

*1 While internal parity is maintained across equivalent positions, the Company is actively working to correct broader disparities under the Act on Promotion of Women's Participation and Advancement in the Workplace.
*2 Calculated based on overtime hours (over 7.5 hours). The figure is an average for all employees, including exempt employees and managers.
*3 Applied Information Technology Engineer Examination (AP), Amazon Web Services (AWS) Certification (Professional level), and Oracle Cloud Infrastructure Certifications.
*4 Scope 3 covers only Category 1 (purchased products and services).

Business Strategy Roundtable Discussion

SIer Business   End-User Business   Service Providing Business

Building a high-profit business portfolio by integrating our three business styles

Under our Second Medium-Term Management Plan "VISION 2026" (FY2024–FY2026), we are promoting three business styles developed through refinements to our business model in the First Medium-Term Management Plan (FY2020–FY2023) as we pursue dramatic growth. Each of the three business line heads articulates their respective strategies, outlooks, and perspectives on cross-functional collaboration.
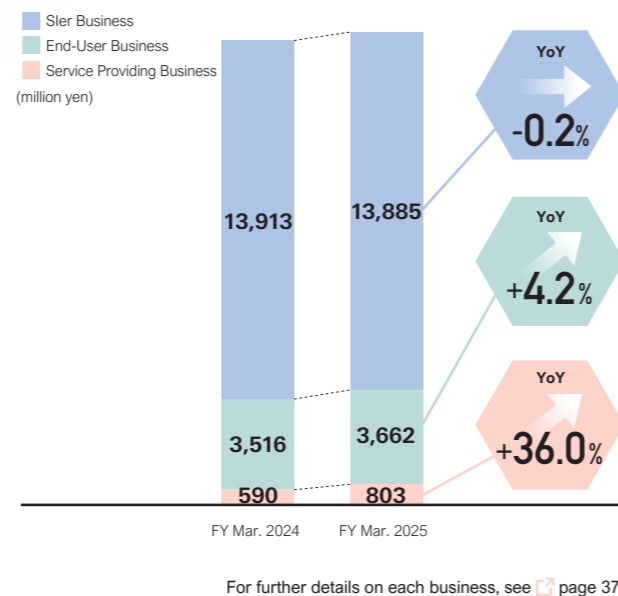
Daiki Wakamatsu
Managing Executive Officer,
SIer Business Coordinator

Shin Kanai
Managing Executive Officer,
End-User Business Coordinator

Koji Aihara
Managing Executive Officer,
Service Providing Business Coordinator

What strengths do the three business lines leverage in their operations?

Wakamatsu Partnering with leading systems integrators to meet customers' needs, the SIer Business is core infrastructure that comprises a significant part of the company as a whole. By working closely with major system integrators, we have acquired expertise and technologies across a wide range of industries, enabling us to jointly generate new forms of value.

Kanai In our End-User Business, which involves direct business transactions with user companies, we aim to craft tailored, highly optimized solutions by gaining a deep understanding of their operational needs and challenges through close engagement. Rather than limiting ourselves to system development and deployment, we remain committed to proposing truly valuable solutions that take a holistic view of our clients' business operations.

Net sales by business style

- SIer Business
- End-User Business
- Service Providing Business

(million yen)

	FY Mar. 2024	FY Mar. 2025
SIer Business	13,913	13,885
End-User Business	3,516	3,662
Service Providing Business	590	803

YoY -0.2%
YoY +4.2%
YoY +36.0%

Drawing the competencies refined through collaborations with systems integrators, we are actively pursuing new direct contracts in our core domains, namely finance, distribution, and manufacturing.

Aihara In our Service Providing Business, we focus on technology services specializing in cloud-based technologies anchored by Oracle Cloud, alongside initiatives for new business development. Specifically, we are developing our in-house product H•CUBiC, which is designed to offer comprehensive, multifaceted support for human capital management, a key challenge for many enterprises. While still in the conceptual stage, a PoC (proof of concept) has been launched, and it is shaping up to become a service model with a unique value proposition only we can provide.

Please describe the current status of the business, and the hurdles that remain in reaching the goals of the Second Medium-Term Management Plan.

Wakamatsu In FY2024, the SIer Business fell short of initial performance expectations, particularly in terms of net sales. Upon reflection, we were unable to effectively communicate the true value of the company's offerings to customers. Having said that, we have a strong sense that we made steady progress in terms of future-oriented initiatives and reinforcing the core strengths of our engineering group. We feel that meeting the targets of the Second Medium-Term Management Plan will require even greater technological capabilities and agility in serving the increasingly sophisticated and diverse needs of our customers. To realize a co-creation and collaboration model with our customers, we focus on closely evaluating how well our proposals match their needs and shape them with deliberate care. We are committed to refining our engineering capabilities and the talent behind it, steadily building a track record of achievements.

Kanai In FY2024, the End-User Business was able to exceed its net sales targets. However, despite the strategic importance we place on cultivating new customer relationships and deepening existing ones, we feel progress in these areas has fallen short of expectations. While we will continue to reliably execute projects for existing clients, we recognize the need to intensify efforts to capture a new customer base that will support future growth. In a more intensely competitive landscape, we are working to strengthen our ability to clearly communicate our value to existing customers by improving both our pitch materials and presentation delivery. To broaden our reach in acquiring new

customers, we are bolstering partnerships and referral networks with systems integrator partners and industry peers. While we have extensive front-line experience from collaborations with major systems integrator partners, we recognize the need to deepen that experience in proposing solutions and securing contracts directly with end clients. We have begun developing a structured

sales framework to boost our effectiveness in proposing and closing deals with end clients.

Aihara Our Service Providing Business exceeded the plan in terms of net sales as well, achieving robust growth in our technical consulting service anchored by Oracle Cloud. Conversely, the new business models expected to emerge from the Service Providing Business are only now beginning to take shape. We aim to deliver solid short-term profitability while remaining committed to pushing through initiatives that will generate long-term value. Transitioning from our traditional contract-based approach to a proprietary service model is a new

challenge for us, and it brings with it a host of challenges. Of the various challenges we face, we believe the most critical ones lie in balancing technical responsiveness and speed in the shift toward a service-driven model. With new services come shifts in contract models, support frameworks, and sales operations, prompting us to simultaneously work on organizational formation and the development of a robust service delivery infrastructure.

How will the three business lines integrate to drive corporate growth moving forward?

Wakamatsu The SIer Business plays a key role in translating the technical expertise and know-how gained from collaborative projects with systems integrators into value creation for the entire company. We tackle new domains together with our systems integrator partners. In other words, by "watering" the "seeds" of growth, we envision blossoming flowers among the fields of other businesses. Specifically, we are extending the benefits of our AI-driven automated ordering system, developed in collaboration with a systems integrator for a major retailer, to clients in our End-User Business. In addition, we are exploring plans to scale this into a more refined service model for broader deployment as part of our Service Providing Business.

Kanai There are other instances where our SIer Business has driven tangible value creation in the End-User Business. One example is our engagement with a home improvement center, which originally began as part of a collaboration with a systems integrator. Over years of building trust, ownership of projects was transferred and we now provide direct support to the client. In addition, collaborations between the End-User Business and the Service Providing Business are picking up. For example, interest in OCI (Oracle Cloud Infrastructure) services provided by our Service Providing Business has led to active business negotiations.

Aihara In addition, we are seeing a growing number of cases where end users are leveraging our cloud-related technical capabilities through systems integrators to meet their adoption needs. We are also seeing expanded opportunities to offer our cloud services to clients in the End-User Business segment. Our technical consulting service specializing in OCI serves as an axis for collaboration between the three business lines.

Kanai To achieve greater collaboration between the three business lines, it is essential to share objectives and strategically allocate the right people in the right roles. A key challenge moving forward is to systematize approaches for cultivating mid-career and leadership talent essential for driving project management and business execution.

Wakamatsu CUBE SYSTEM views human capital as the foundation of the company's growth, and we continue to proactively invest resources into this area. We recognize the importance of proactively fostering mid-career and leadership talent to foster further growth across our three business lines, and are committed to acting as the driving force in advancing these efforts.

Could you tell us a bit about your outlook for the future and your value creation moving forward?

Wakamatsu As IT investment continues to grow across society, interest and demand for the SIer Business are increasing. Our role is evolving into that of an end-to-end partner, supporting clients across the entire workflow from early-stage systemization planning to design, development, and operations, reflecting a growing demand for our participation in upstream processes where we previously had limited involvement. Leveraging our engineering capabilities and unwavering determination to see things through, we are committed to continually raising the bar to address customer needs.

Kanai The End-User Business is currently in charge of around 20 client companies and has been awarded the Customer Satisfaction Excellence Award from the AEON Group. This is a reflection of the high level of acclaim and trust we have garnered as a key partner facilitating the enhancement of corporate value. The true value of this business stems from our ability to develop a deep understanding of a customer's business, and to formulate solutions that remain one step ahead of where the customer is heading. Our goal is to leverage original IT capabilities to support client growth, while ultimately delivering meaningful value to society and Japan as a whole.

Aihara The Service Providing Business is at the forefront of the Company's ongoing transformation in its business model. First, we are committed to the successful launch of

H•CUBiC, a service developed in-house, while deepening partnerships with key technology providers such as Oracle Corporation to drive expansion of our business scale. Across all our services, we are committed to creating businesses that deliver both strong economic and social value by striking a balance between establishing high-profit business models and addressing social issues, inspiring a compelling sense of potential that resonates with stakeholders.

Kanai In addition to driving their own profitability, the three business lines are expected to play a key role in shaping our new business portfolio. As leaders, we are committed to strengthening collaborations across the three business lines and, in doing so, we aim to drive a transformative shift that lives up to the "Second Founding" envisioned in the Second Medium-Term Management Plan.

Second Medium-Term Plan sales outlook

■ SIer Business
■ End-User Business
■ Service Providing Business
(million yen)

	FY Mar. 2025	FY Mar. 2026 (Outlook)	FY Mar. 2027 (Outlook)
SIer Business	13,885	14,800	17,250
End-User Business	3,662	3,700	4,500
Service Providing Business	803	1,000	1,250
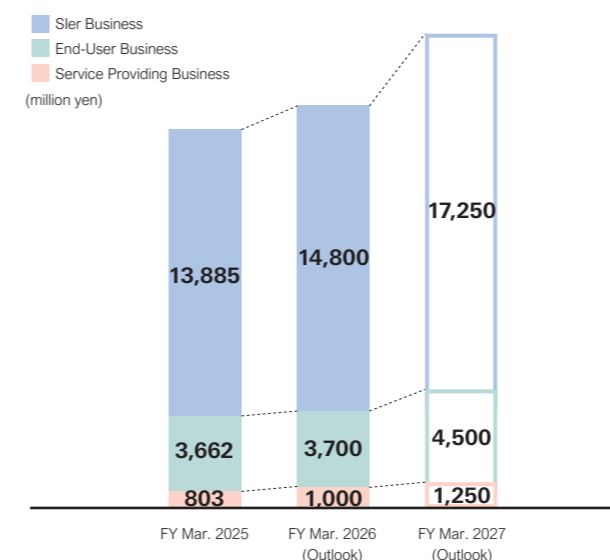
Summary of each initiative

SIer Business
● Expansion of areas through one-stop services
● Returning to collaboration with Japanese contractors
● Leverage generative AI and implement other new initiatives aimed at boosting productivity
● Establish and increase orders received in relation to modernization collaborations

End-User Business
● Deeper engagement on projects with existing customers
● RM (relationship management) and strengthening proposal capabilities to acquire new customers

Service Providing Business
● Promote collaborations with cloud vendors
● Implement the H•CUBiC* service at individual clients
● Create new services to capture new customers

Business Strategy

We will provide a detailed overview of the Company's three business styles: SIer Business and End-User Business, which group contract-based businesses according to customer style, and Service Providing Business, which is our planning-based business. This provides a look at the initiatives the Company has put in place to promote well-being management and make the Company a fulfilling place for employees to work with a focus on engagement.
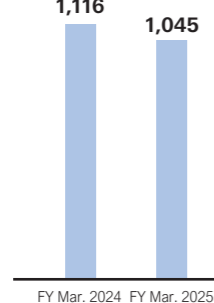
SIer Business

Stable growth through contract development projects from large-scale systems integrators

This business style is centered around contract development projects from large-scale systems integrators. Currently, this field accounts for around 80% of total net sales, and is defined by the large number of ongoing projects underway in parallel. In this area, we pursue business expansion in consistent and stable markets; transformations toward high-profit, high value-added business models; and shifting toward areas with greater social contribution.

Net sales (million yen)
- FY Mar. 2024: 13,913
- FY Mar. 2025: 13,885
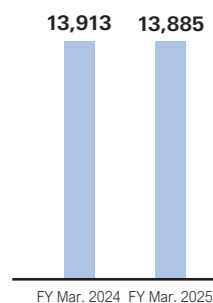
Operating profit (million yen)
- FY Mar. 2024: 1,116
- FY Mar. 2025: 1,045

Current state and future of the SIer Business

Major initiatives in FY2024
- Advanced ongoing collaborations in one-stop services and new domains
- Conceived of new businesses and process transformation leveraging AI

Objectives for FY2025
- Expansion of areas through one-stop services
- Returning to collaboration with Japanese contractors
- Leverage generative AI and implement other new initiatives aimed at boosting productivity
- Establish and increase orders received in relation to modernization collaborations

End-User Business

Expand scale and revenue with direct business transactions through customer acquisition

This business style primarily focuses on transactions with customers and IT subsidiaries. This area was also established as a business style within the Second Medium-Term Plan. By broadening areas of engagement with existing prime customers and applying a planning type approach to new customers, we are pursuing a dual-pillar strategy of generating net sales by focusing on individual customers (existing businesses) and contributing to society through a business approach that emphasizes co-creation with customers.

Net sales (million yen)
- FY Mar. 2024: 3,516
- FY Mar. 2025: 3,662

Operating profit (million yen)
- FY Mar. 2024: 348
- FY Mar. 2025: 283
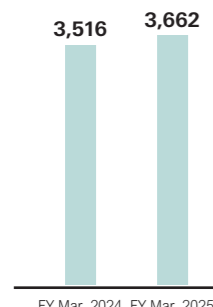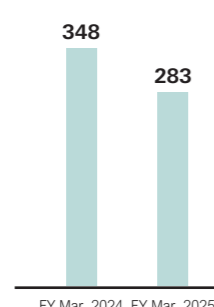
Current state and future of the End-User Business

Major initiatives in FY2024
- Theme development in existing End-User areas

Objectives for FY2025
- Deeper engagement on projects with existing prime customers
- Relationship management and strengthening proposal capabilities to acquire new customers

Service Providing Business

Development of know-how driven solution services and co-creation efforts with solution vendors

This business style focuses on promoting planning-based businesses originating from the Company. We aim to expand in two key areas: Technology Solutions, developed in partnership with solution vendors like Oracle Cloud, and Business Solutions, which deliver proprietary products and consulting services.

Net sales (million yen)
- FY Mar. 2024: 590
- FY Mar. 2025: 803

Operating profit (million yen)
- FY Mar. 2024: 70
- FY Mar. 2025: 51

Current state and future of the Service Providing Business

Major initiatives in FY2024
- Developed the component services making up H•CUBiC
- Collaborated with solution vendors

Objectives for FY2025
- Promote collaborations with cloud vendors
- Implement the H•CUBiC service at individual clients
- Create new services to capture new customers

Non-financial initiatives

Promote survey-driven engagement enhancement measures

The Company outlined "Promote wellbeing management and make the company a fulfilling place for employees to work" as a key issue in the Second Medium-Term Plan, and began conducting engagement surveys in April 2024 using Wevox from Atrae, Inc. In addition to implementing the survey, we established the Engagement Enhancement Committee with a view to fostering information sharing company-wide, and implementing practical measures in line with this.

Initiatives toward enhancing engagement

Engagement Enhancement Committee
Follow-up on survey results and reviews of Company-wide engagement initiatives

Engagemate* activities
Establishment and implementation of a department-level engagement promotion officer

Joint research with university professors
Guidance and implementation support for engagement initiatives within the Company

* Engagemate is the name given to persons in charge of promoting engagement at a department level.

We have adopted a bottom-up approach to promoting engagement enhancement. For example, we prepare and implement plans of action in line with department-level issues referred to as "happy sets" on a per-department basis, and use blogs to foster and instill a sense of engagement.

Happy set

The Six Forms of Capital Forming the Foundation for Value Creation

	Management capital	Strengths	Initiatives
Human Capital	**Total number of employees (consolidated)** **918** **Ratio of female employees in manager posts** **9.8%**	● Solutions professional ● Ability to respond to customer needs and propose solutions	● Human resources recruitment and training ● Providing opportunities for growth and initiatives to boost motivation ● Developing an environment that facilitates the active participation of diverse human resources
Intellectual Capital	**R&D expenses** **98 million yen** **Business partnerships** **3**	● Collaborations with solution vendors ● Knowledge of a broad range of industries	● Development of Solutions Leveraging DX and AI ● Profitability of solutions
Manufacturing Capital	**Domestic bases** **5 bases** **Overseas bases** **2 bases** * Including subsidiaries	● Nearshore & offshore human resource structure ● Quality control system for high quality manufacturing	● Framework-based quality control ● Review of the quality control system based on scale and complexity
Social and Relationship Capital	**Length of continuous business transactions (end users)** **More than 15 years:** **18 companies** **More than 10 years:** **29 companies**	● Customer base built on long-term, solid mutual trust ● Reinforced collaboration with diverse subcontractors	● Dialog with stakeholders ● Initiatives for improving customer satisfaction
Natural Capital	**Energy consumption** **687,355 kWh**	● Environmentally-friendly business activities ● Efficient manufacturing	● Endorsement of the TCFD and information disclosure ● Reduction in GHG emissions
Financial Capital	**Total net assets** **10.8 billion yen** **ROE** **12.0%**	● Sound and secure financial structure ● Continuous revenue growth	● Disclosure of specific cash allocation policies ● Initiatives aimed at creating shareholder value

Human Capital
(Human Resources Development)
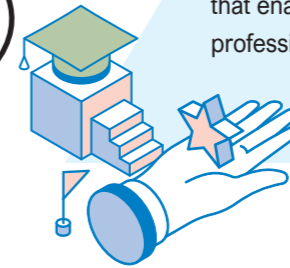
One of our management foundations is our human resources. We place importance on creating systems and environments that enable each employee to thrive as part of our diverse, professional human resources.

Our Approach Toward Human Resources

In order for the company and its employees to grow together, we have established a Human Resources Policy that defines the vision of what our employees should strive for. We will achieve a higher level of social contribution by respecting each other, creating our own business, providing high quality services to our customers, and growing as corporate members.

Human Resources Policy

Continue to be a company where each and every employee is **healthy** in mind and body and can work with **a sense of fulfillment** in their jobs	Support social reform by **demonstrating diverse abilities** and **personalities** and working as **professionals**	Employees and the company **grow** together by taking on the **challenge** of creating new value, and share in the results

Recruitment

We actively hire employees who have acquired comprehensive capabilities, including IT skills as well as human and management skills, and who are capable of solving our customers' problems.

New graduate recruitment
With regard to new graduate recruitment, we conduct our recruiting activities with a focus on helping students understand the work of SE. In addition to online seminars, we also hold open company events, one-day work experiences, and five-day internships. The five-day internship, which aims to deepen understanding of the system development process from upstream to downstream and the necessary skills and ways of thinking, has been highly praised by the students who participated.

Mid-career hiring
When it comes to mid-career hiring, we actively hire not only people with experience as systems engineers, but also those without experience. By having our staff members take an active role in utilizing their various expertise, we are revitalizing our organization and contributing to our customers' business reform.

Human resources system

We view our human resources system as something that connects employees with the company, which serves as the foundation of the company. In April 2024, we introduced a new human resources system to support and accelerate the cycle in
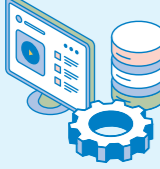
which the company provides an environment where employees can grow, and where employees can contribute to society and stakeholders while developing their own careers.

Human resources system concept

Can recognize growth	Can achieve results	Can choose according to abilities

Human resources system framework

Four position levels and expected roles and abilities

Professional position	Role Grade system		Organizational manager	Role Grade system
EX	Expert		GD	Division director
SP	Senior professional		GM	Deputy division director/ department manager
PR	Professional		MG	Deputy department manager/ section manager

Leadership position	Role Grade system
LD	Unit manager (assistant manager level)

Career development position	Skill Grade system
AS	Project leader/IT specialist (senior staff level) Associate

Human resource career plan
Our career plan has four position levels. Career development positions require employees to gain the experience necessary to achieve goals, to learn and develop their own skills, and to take responsibility for achieving the goals they set for themselves. Leadership positions are the entry level for professional positions and organizational managers, and involve contributing to the achievement of organizational missions and project plans by honing one's own expertise and assisting in organizational management with an eye toward the next step in their own career. Professional positions and organizational managers, as supervisory positions, require a medium- to long-term, company-wide perspective, and those in these positions need to work together with management to take responsibility for company-wide reform and target achievement. In particular, those in professional positions are responsible for creating new value by leveraging the intellectual value they possess and executing high-stakes projects, while organizational managers are responsible for achieving the business plan and fulfilling the mission of maintaining and developing the organization. By reflecting individual aspirations in their career paths, we provide a career path that allows each individual to continue growing at any position level.

Human Capital (Human Resources Development)

Human Resources Development

Efforts in human resources development

To achieve our Medium- to Long-Term Management Plan VISION 2026, we have set forth four key objectives for human resources development.

With these in mind, we are working to develop human resources over the medium to long term.

Key objectives for human resources development

1	Establish human resource portfolio targets	2	Establish human resources development scheme (structure and system)
3	Establish training support to help employees' growth	4	Create a corporate culture that values human resources development

Definition of human resources

Professional IT talent

Leverage IT skills and customer knowledge to solve corporate challenges

Corporate talent

Support for business operations management, and management foundations

Organizational management talent

Achieve company targets as the person responsible within the organization

Prior efforts in human resources development

Corporate actions	Initiatives
<VISION 2026> First Medium-Term Plan ● Business model creation (Digital, SI, System Enhancement)	**FY2021** **Definition and introduction of career fields** ● Visualization of the development cycle through a combination of OJT × Off-JT × self-development **FY2022** **Creation of Human Resources Development Guidelines** **Development of the human resources development program** ● Systemization of IT training based on basic skills and job level training **Professional IT talent** ● Visualization of skills ● Implementation of the internal certification system **FY2023** **Corporate talent** ● Visualization of skills
Second Medium-Term Plan ● Creation of business styles (SIer, End-User, Service Providing) ● Revisions to the human resources system	**FY2024** **Redefinition of career fields in line with the Second Medium-Term Plan** **Development of the human resources development program** ● Implementation of basic CS skills training ● Commenced autonomous learning support **FY2025-2026** **Fostering a culture of development within the organization**

Defining career fields

The career field is a framework for human resources development and for indicating roles and opportunities within the company where employees can thrive. In order to better picture the type of human resources that are expected, all career fields are defined by three factors: the expected work results, job scope/duties and work experience/performance. Each employee sets their goals according to their career fields. Working toward these set goals should develop the employees and increase their human value.

Expected work results	Evaluation of work performance levels
Job scope/duties	Work fields/experience
Work experience/ performance	Acquisition of qualifications Skills assessment Project results

Internal certification system

We have established an internal certification system that designates mid-career human resources who demonstrate both proven achievements and hold advanced certifications as "Level 4-certified" professionals. We have also established development plans for each division, with Level 4 certifications granted to 19 personnel initially in 2019, a number which has now grown to 42 as of July 2025.

Career fields

Employees envision their future based on their career field and proactively shape their own career paths.

Future project manager → Application engineer → Project manager

Self-directed career development based on a cycle of self-development, work, and reflection

OJT plan — Development cycle — Self-development (Training/qualifications) — Work assignment — Taking stock of past experience
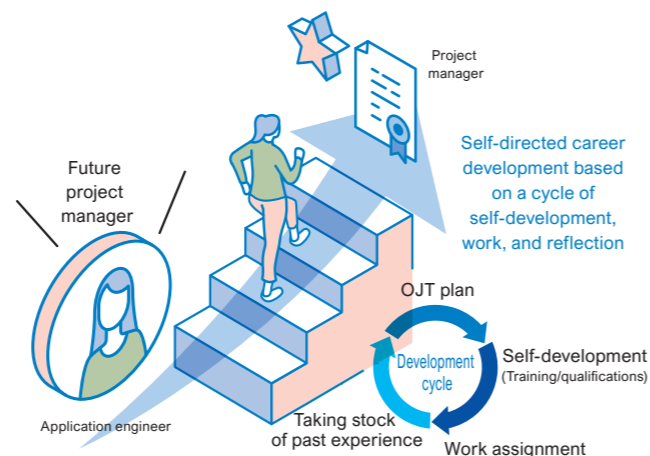
Human resources development policy

We view human resources as the foundation driving sustainable growth and corporate value enhancement. To that end, we promote progressive skill development through planned, stage-based OJT, alongside systematic knowledge consolidation and targeted off-the-job training (Off-JT) programs to foster deeper expertise.

We are committed to creating a workplace that facilitates

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each individual's self-directed development and inspires a spirit of challenge and growth.

Professional IT talent

We build deep domain expertise by promoting skill development grounded in technological trends and practical experience, supported by planned OJT and ongoing technical training.

Developing professional IT talent

[Development concept]

Experience projects

4 **Managerial human resources development** (unit managers and section managers)
Advance organizational management through experiencing various projects
Acquire high expertise, ability to respond to customer needs, and management skills to maximize staff capabilities.

3 **Mid-career human resources development** (8 years or later)
Build higher level of expertise through experiencing projects
Build higher level of expertise to acquire skills to respond to customers, make proposals, and manage a project.

Accumulate skills

2 **Young human resources development** (2–7 years)
Accumulate and expand skills one by one
Acquire development and (external and internal) design skills according to an individual's development level.

1 **New employee development**
Acquire basic system development skills
Acquire basic skills through certain experience in coding and repeating the course from detailed design to test process.

Corporate talent

We cultivate professional human resources across sectors such as management, human resources, and accounting by first acquiring a wide range of fundamental business skills, followed by efforts to advance their specialization in stages.

[Development concept]

4 Managerial human resources development
3 Mid-career human resources development
2 Young human resources development
1 New employee development

Build expertise in each corporate sector

Acquire basic business skills required of corporate staff while rotating between general affairs, human resources, and financial activities

Training

In order to adapt to changes in the environment, we support the growth of our employees using four types of education. By implementing training in an appropriate format according to the purpose and content of the training, we increase the

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effectiveness of the training and foster a corporate culture that encourages employees to continue to learn on their own initiative. The number of days of education/training per person in FY2024 was 12.

Non-financial results (FY2024)

Professional training	Basic skills Acquisition of basic technical skills expected of IT- and CS-related human resources
	Breakdown by theme Acquisition of thematic technical skills according to career fields
Job level training	Breakdown by year Acquisition of the necessary skills and mindset based on the roles to be played at each level and the expectations of the Company
Autonomous learning support	e-learning/support for professional certifications Provision of an environment where each employee can aspire, envision who they want to be, and learn on their own initiative

New employee training

In FY2025 we introduced a framework in which experienced team members in development actively participate in training new employees. This has helped alleviate new employee concerns and strengthen their sense of connection to the organization. It also benefits senior employees by enhancing their mentoring abilities and fostering an interest in onboarding others, even before they assume the responsibilities of a unit manager. This initiative has worked to support growth and foster a corporate culture that encourages development.

Support for qualifications

To provide training and edification for our employees, we offer subsidies to gain certification in areas related to the company's business operations and pay their certification examination fees.

Number of qualified employees (as of April 2025)

Information processing	Basic IT engineers	443
	Applied IT engineers	143
	Other information processing engineers	40
	Oracle database	268
	Scrum	11
	Oracle Cloud	84
	Other Oracle certifications (JavaSE/EE, PL/SQL, Solaris, etc.)	154
	Operations management (ITIL V3 Foundation Certificate IT Service Management, etc.)	65
	FUJITSU middleware master	178
	JDLA Deep Learning For GENERAL	67
	JDLA Deep Learning For ENGINEER	10
Customer businesses	Retail Marketing Certification (Grades 2 and 3)	105 in total
	Financial Planner (Grades 2 and 3)	38 in total
	Sales Representative Qualification (Class 1 and Class 2)	10 in total

Human Capital
(Diversity and Inclusion)

We regard diversity as materiality. We are tackling in particular the issues on empowerment of women, employing persons with disabilities and improving work fulfillment as ways to meet the expectations of a wide range of stakeholders and raise our corporate value.

Basic Approach

We are working to upgrade our systems, programs and work environment and to implement awareness reforms that enable our diverse human resources to work and grow in ways suited to their respective conditions, founded on mutual recognition and respect regardless of gender, age, nationality, social status, disability or values. We are focused in particular on empowerment of women, considering the significant number of female employees in our company, and we believe it is vital to our business growth and future development.

Under our Medium- to Long-Term Management Plan VISION 2026 mission statement, Communication & Mutual Respect, we are creating an environment where women and other employees with diverse backgrounds can come together and work together, and promoting the recruitment and development of talented employees to enhance our corporate value.

Promoting the Empowerment of Women

Empowerment of women is an important management indicator in our Medium-Term Management Plan and our business plan for the current fiscal year and we have implemented various measures to increase diversity. Specifically, the President and COO works to communicate messages on diversity, empowerment of women, and work styles. Through these activities, we plan to resolve issues to make handling both work and family easier. We also support our female employees in developing their careers—ultimately to bring an increase in the ratio of women in managerial posts.

TOPICS

Ratio of male employees taking childcare leave

Our promotion of diverse work styles has spurred an increase in the number of male employees taking childcare leave. Many of our employees are raising children, and the ratio of employees with children taking childcare leave in FY2024 reached around 90%. Moving forward, we will continue to develop programs and mechanisms to ensure that a diverse workforce can continue to thrive.

Establishment of the Business Support Group

In FY2022, a business support team (presently Business Support Group) was formed consisting of persons with disabilities and dedicated follow-up members. The mission of the Business Support Group is to increase the employment of disabled persons and improve their working conditions, to create a work environment in which each person is able to demonstrate their abilities and find fulfillment in their work. In addition, by having employees with disabilities take on tasks that contribute to the company according to their individual characteristics, we are creating job satisfaction and improving their engagement.

Business description

- PMO support
- Internal system monitoring
- Internal improvement activities using kintone, RPA, etc.
- PC kitting
- Internal administrative tasks (responding to internal surveys, preparing business cards, mail sorting, etc.)
- Communicating Business Support Group initiatives internally
- Holding training focusing on how to engage with Group members in operational contexts

Special needs school instructor

Since April 2023, the company has been teaching classes at Tokyo Metropolitan Eifuku School, as a specially-appointed professional instructor. In FY2024, we held classes on how to operate a PC, information security, and creating and presenting presentation materials.

Human Capital
(Health and Productivity Management)

Under the company's management philosophy that "companies thrive through the support of various people," we have implemented activities to build an environment and systems that allow diverse human resources to demonstrate their potential, aiming at management that supports their wellbeing.

Approach to Health and Productivity Management

The CUBE SYSTEM Group and its employees are working in concert to develop the spirit (human capabilities), techniques (knowledge, technology and skills) and the body (mental and physical health). We believe that the sound health of each and every employee is vitally important for the sustainable growth of our Group. We are implementing this belief based on the conviction that Health and Productivity Management is an essential policy for good employee health.

Health and Productivity Management Policy

For sustainable business growth and medium- to long-term promotion of our corporate value, we are implementing initiatives on the health and productivity management designed to improve the mental and physical health of our employees and to create a better workplace.

Certified as a 2025 Outstanding Organization of KENKO Investment for Health

Following 2024, we were selected for the 2025 Outstanding Organizations of KENKO Investment for Health Recognition Program organized jointly by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. This is a program that recognizes outstanding performance in health and productivity management, based on efforts to address regional health issues and health-related challenges promoted by Nippon Kenko Kaigi. We will continue to implement initiatives to create a better work environment for our employees that will support their mental and physical health.

健康経営優良法人 2025
KENKO Investment for Health
大規模法人部門

Developing Diverse Human Resources through IT

More lively communication

Workstyle diversification, such as absence of personal contact and diversification of work sites, brings many communication issues. To ensure that each employee understands our business management and VISION 2026 and to encourage their active participation in our business, we organized meetings to provide all employees with opportunities for *Katarou-kai* with the President. Our Smile Share Products are designed to foster greater engagement among employees in this age of the new normal and closer communication.

CUBE SYSTEM's Smile Share Products
https://www.cubesystem.co.jp/en/service/smile/

Workstyle reform

We believe that creating an environment in which employees can maintain good physical and mental health results in optimal work performance to support customers and therefore we established the Work Style Reform Committee in 2017, and are working to optimize working hours and improve productivity.

Engagement activities

In FY2023, we established the Engagement Enhancement Committee with the aim of planning and promoting measures to strengthen engagement and promoting the use of Smile Share Products.

We conduct engagement surveys using Wevox*. Based on the data, the Engagement Enhancement Committee leads the review and promotion of wellbeing management and engagement improvement measures.

* Engagement analysis tool provided by Atrae, Inc.

Intellectual Capital

Research and development are essential for the growth of our group. The areas of research and development include the cloud, AI, and blockchain technologies. In particular, our demonstration experiment of DX technology is showing certain results.

Approach to Research and Development

Our R&D activities are categorized into Fundamental R&D and Developmental R&D. Fundamental R&D is research required for the development and improvement of the business foundation from the medium-term viewpoint. This includes research on the latest information technologies (ITs) and their feasibility investigation. Developmental R&D covers research to make various ITs market-ready—such as commercialization of new services, renovation of businesses, and reform of production methods, aiming at monetization or utilization in a business after completing R&D.

Smile Share Products

The COVID-19 pandemic triggered diversification in working styles; however, the lack of communication has made some people feel anxious and they may find it difficult to stay motivated. We have developed a unique solution to this social issue with our Smile Share Products, which use IT to resolve issues with employee engagement and noncontact communication in the new era of teleworking.

🌐 **More about Smile Share Products**
https://www.cubesystem.co.jp/en/service/smile/

Patent granted for contactless AI facial recognition system

In February 2021, we obtained a patent for our touchless payment service that uses an AI-based facial recognition system. This technology is used in our own non-contact payment service, Smile Regi, which is "a series of input system/program and methods to make payments by recognizing the face of the user and a specific payment gesture."

Function expansion of internal cryptocurrency

We added a self-gift function to an e-gift exchange service, combining the digital gift service "giftee for Business," provided by giftee Inc., and our own internal cryptocurrency, Cubecoin. These benefits can be accessed anywhere, with around 50% of employees using the service in FY2024.

Improving wellbeing

We have implemented a system for earning Cubecoins by exchanging a "Like!" using the communication tools employed internally.

Our Smile Share Products can be utilized as a non-financial value platform to foster internal communication and contribute to our employees' wellbeing, and in the future we will look to deploy these products as services helping our customers overcome the challenges facing their business.

Smile Share Products

Sending "Thank you"	Users	Use collected "Thank you" points
thanks ConnEct	**InoPay**	**• Smile Regi** **• Self-Gift**
Visualize "Thank you" via our internal SNS platform	Peer-to-peer bonuses can be given using internal points	Non-contact payment using smile and peace sign delivers communications at break time

Visualized "Thank you" can be sent to each other

Peer-to-Peer Bonus Network* Cubecoin

Supports engagement among employees using blockchain technology

* Peer-to-Peer Bonus Network: A network through which colleagues can send their appreciation to each other as cryptocurrency to provide work support or advice received, or study group and social contribution efforts.

Promotion of Research and Development

We conduct groupwide research and development of cloud solutions, AI, and blockchain for new business development and internal implementation of new technologies. We are currently surveying and assessing SaaS-related technologies and developing solutions that can be adopted into our services. The investment amount in FY2024 reached 98 million yen.

InCUBEator

InCUBEator — Chat / Image generation / Regulations and guidelines
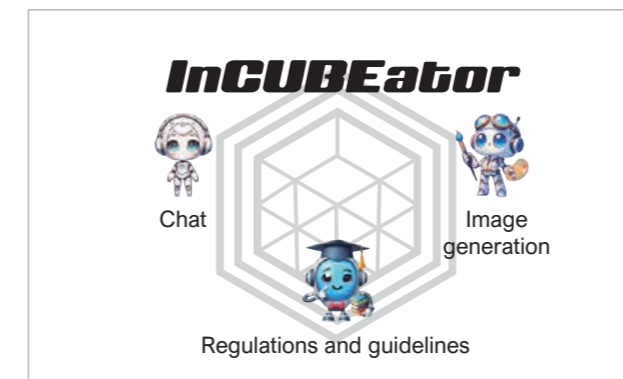
In recent years, technology for large-scale language models such as GPT has improved dramatically, and conversational AI in particular has become increasingly popular. Leveraging the know-how we have cultivated in our business, we have developed a conversational AI app called InCUBEator that utilizes a large-scale language model, and introduced it within the company. It is designed to reference company regulations and guidelines, utilizing technology that combines search functionality with generative AI. To safeguard internal data, we have customized the system for use in an isolated environment inaccessible from outside the company, and it is now deployed in live development workflows.

In addition, it is also used to provide services to customers, and as a tool tied to operational reform efforts.
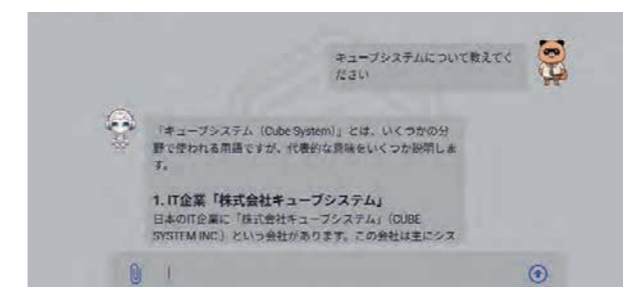
Screenshot

Partnerships with Solution Vendors

Business and capital alliance with TRIPLEIZE CO., LTD.

In August 2018, we concluded an agreement for a business and capital alliance with TRIPLEIZE CO., LTD. TRIPLEIZE specializes in AI image recognition technology and provides a range of AI platforms. We are accelerating our business expansion through joint research and development towards the creation of new DX-based businesses and promoting DX-related human resources development through joint AI training programs and projects.

Business partnership with Kinaxis Japan K.K.

We concluded a business partnership agreement with Kinaxis Japan K.K. in November 2020. We are now training our employees by building knowledge and technological skills concerning the supply chain management (SCM) platform, Maestro*, provided by Kinaxis. We will keenly continue such collaboration with the company to expand into new business areas.

* Maestro (formerly RapidResponse®) is a trademark or a registered trademark of Kinaxis Inc.

Certified partnership with ServiceNow Japan

We concluded a Certified Partnership Agreement with ServiceNow Japan in April 2021. This further empowers our system operation know-how and skills so that we can reform existing business models effectively.

Patent/Registered Trademarks

We regard the value of our services and business models as an important factor that contributes to improving corporate value and further developing our business, and we are engaged in the active acquisition and protection of the trademarks and other rights to such services and models. As of the end of March 2025, we possess 25 registered trademarks and two patents.

Manufacturing Capital
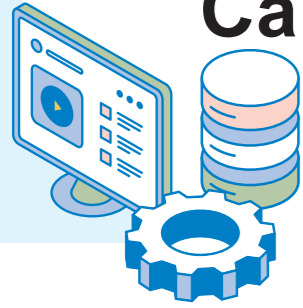
To ensure high quality services, we developed a quality control system that utilizes our know-how accumulated over the years. We are also keen to continue to improve our quality, such as by developing a new platform.

Basic Approach of Quality Management

With our customer first policy, we have established a quality policy that defines the fundamental attitude and initiatives needed to provide services that excel in quality and satisfy the customer. We ensure all our employees have a good understanding of our quality policy, enabling them to offer services as IT corporation specialists.

Quality policy

In mobilizing our technical, management and organizational capabilities to provide quality services that ensure customer satisfaction, guidelines and relevant rules and regulations have been established for the following activities.

1 Appropriate project management is executed through clear definition of the objectives and goals of the project and development of project plan.

2 The project status is assessed through review meetings for early detection of risks.

3 Third-party monitoring of projects is conducted to provide organizational support depending on the project status.

4 Analysis of the differences between plan and performance is conducted in each process (phase) for quality evaluation.

5 In an event of faults or problems, the event is swiftly escalated and an investigation into the root causes is conducted to introduce measures to prevent any recurrence.
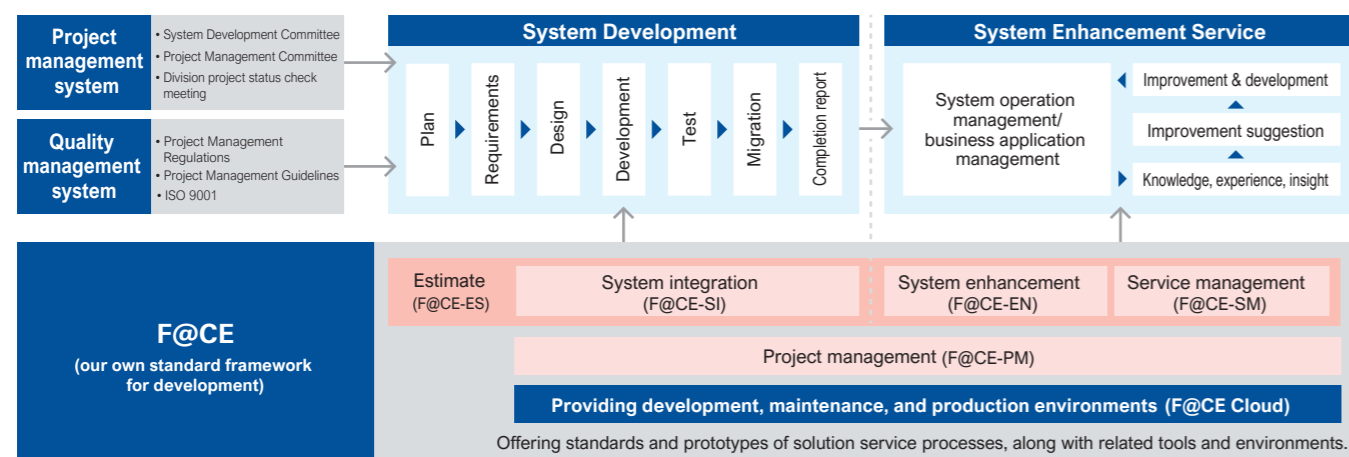
6 In ongoing business relationships, continuous business improvement activities are organized in response to changes in customer needs and environmental conditions.

7 F@CE (our own standard framework for development) has been established to allow methodologies and know-how in system development, administration and management to be shared and for improvements in quality and productivity.

Framework to provide high quality

We have been providing system solution services to many customers over the years, and through our experience we have acquired and improved our service provision know-how. Integrating such know-how, we created our own standard framework for development, F@CE* (trademark number 6483227), that standardizes processes, activities, and tasks relating to service provision. We develop high-quality systems by sharing and utilizing this framework across the company.
* Framework@CUBE's Engineering

Quality management structure

Placing the highest priority on our quality policy, we have established the Project Management Regulations and the Project Management Guidelines, which lay down the principles that employees need to be familiar with and follow when managing our system solutions services. We also use F@CE to implement our concrete development procedure and know-how.

Quality management structure

Quality management structure pyramid:
- Basic Policy / Quality Policy
- Project Management Regulations / Project Management Guidelines
- Our own standard framework for development F@CE (Framework@CUBE's Engineering)
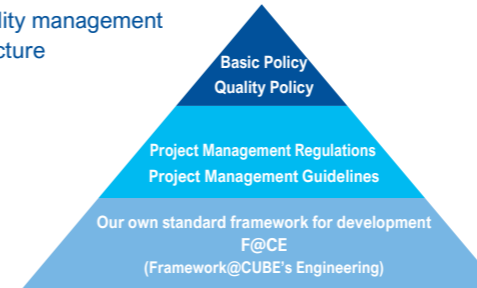
Quality Management System

Under our Quality Policy, we acquired ISO 9001 certification in 2001 for continual improvement of our quality management system and to provide customer satisfaction with our quality and efficiency. For future improvements in customer satisfaction with our solution services, we are making efforts to introduce greater advances in our quality improvement activities.

System Development Committee

We hold the System Development Committee meetings as a means of powerfully supporting the ongoing projects in our company. This Committee is established under the concept of "a mechanism to support frontline workers with attention to quality." Experts of highly advanced technologies, with specialized business knowledge, or of security, etc. are invited to a Committee meeting according to the varying risks that a project encounters to assess system contents and project management. The experts then offer practical advice suitable to the frontline situations of the project to ensure the quality of our service.

System Enhancement Services and Offshore & Nearshore Development

We do not regard the maintenance of systems and platforms simply as regular checks to be performed. We see it as an activity to "increase the value of the system by improving the system performance and quality to adapt to changes in customers' business environments and the emergence and evolution of new technologies." We also see it as an opportunity to offer new business. This is our System Enhancement Service that increases customers' satisfaction.

Our strength lies in this system enhancement service, and we visualize our service as well as improving and reforming business processes based on the know-how and software engineering skills that we have cultivated over the years. Through such activities, we drive forward system stabilization and operation streamlining to offer high satisfaction to our customers.

As part of the expansion of our near-shore development organization and facilities, we established a new Fukuoka Office in September 2023 and increased the floor space of our Hokkaido Office in February 2024.

CUBE SYSTEM VIETNAM Co., LTD., one of our offshore companies, also obtained ISO/IEC 27001 certification in FY2023. This certification is an international standard covering information security management systems (ISMS). In October 2024, we relocated CUBE SYSTEM VIETNAM Co., LTD. to strengthen offshore development and foster bridge system engineers.

We will maintain our efforts to offer competitive services through expansion of our development organization and facilities.

F@CE-DX

F@CE-DX is a system development platform for small and medium-sized DX projects. The platform, which was made based on the accumulated best practices of highspeed development, provides an environment in which engineers can start system development on the day of installation.

DX projects associated with customers' business reforms require engineers to produce an MVP* in a short period, even though the system requirements may not be fixed. To work around this issue, we advance the development while clarifying requirements by repeating the cycle of planning, design, implementation, and testing in an agile project management, which has delivered significant results and reinforced our competitive advantages.

* Minimum Viable Product: A product that can provide the minimum necessary value to customers.

F@CE Cloud

F@CE Cloud is our standard project management platform. Recent software development requires short delivery times, at low cost, and with high quality. Among them, prompt project start-up and appropriate project management are the most important issues. F@CE Cloud, which is packed with our project management know-how, accelerates project launch and improves system quality and productivity.

F@CE Cloud ®

Quality management initiatives

Project management system	System Development	System Enhancement Service
• System Development Committee • Project Management Committee • Division project status check meeting	Plan → Requirements → Design → Development → Test → Migration → Completion report	System operation management/ business application management
Quality management system • Project Management Regulations • Project Management Guidelines • ISO 9001		◀ Improvement & development Improvement suggestion ▶ Knowledge, experience, insight

F@CE (our own standard framework for development)

Estimate (F@CE-ES)	System integration (F@CE-SI)	System enhancement (F@CE-EN)	Service management (F@CE-SM)
	Project management (F@CE-PM)		
	Providing development, maintenance, and production environments (F@CE Cloud)		

Offering standards and prototypes of solution service processes, along with related tools and environments.

Social and Relationship Capital

It is indispensable for our sustainable growth to build good relationships with the various stakeholders that surround our business, including customers, subcontractors, stockholders, investors, and employees. We are working to build relationships based on trust from a medium- to long-term perspective.

Customers

Our services have been offered to leading corporations in different industries through our partnerships with major systems integrators and their information subsidiaries over many years. We have acquired a strong working record, experience, and know-how through such partnerships, and these have become our important assets. We will continue to contribute to the development of our customers' businesses through our software engineering into the future.

Length of continuous business transactions (end users)

More than 15 years: 18 companies	Major retailer, major bank, major GMS (general merchandise store), government agency, major home improvement center, securities company, etc.
More than 10 years: 29 companies	Major credit card company, food company, major telecommunication company, education business company, major life insurance company, etc.
More than 5 years: 43 companies	Electric power company, major gas company, etc.

Relationships with major customers

June 1984	Service agreement with Fujitsu Limited
December 2022	Capital and Business Partnership with Nomura Research Institute, Ltd.

Distribution channels of CUBE SYSTEM

CUBE SYSTEM

Systems integrators — Approx. **75**%
- Nomura Research Institute Group — Approx. **40**%
- Fujitsu Group — Approx. **21**%

End-users (IT subsidiaries/Direct contracts) — Approx. **20**%

Services provision — Approx. **5**%

Corporate enterprises:
- Banks
- Transport
- Communication
- Government agencies
- Retail

Consumers
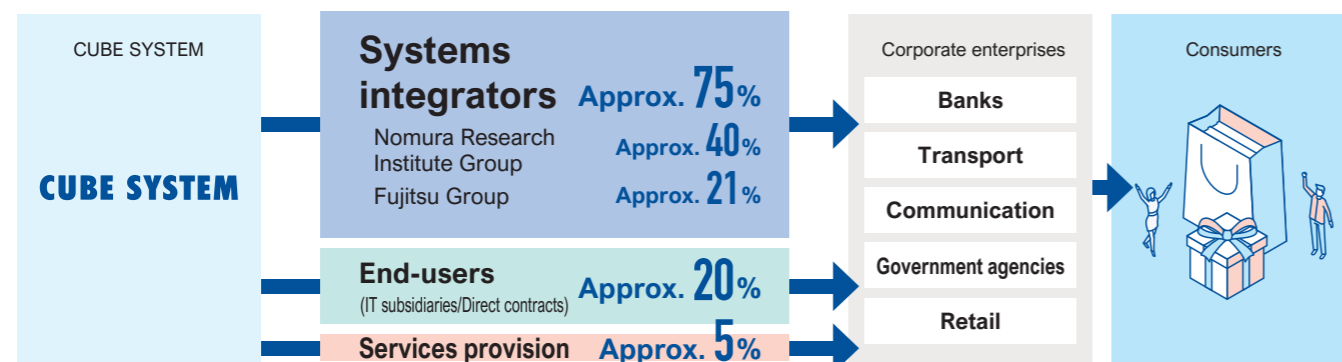
Customer satisfaction survey

We conduct a customer satisfaction survey every year with the goal of creating customer benefits and creating customer satisfaction. Customer satisfaction is not a result, but a goal we should set and aim at from the start of a project. Based on this idea, we reflect the survey results into our management plans.

Survey results summary

FY2024 survey results showed a slightly lower customer satisfaction level for the second year in a row. Challenges from the previous year, including quality issues caused by member turnover and limited organizational follow-up, have persisted. Compounding this, our ability to meet the elevated expectations of customers, shaped by our past performance, has emerged as a contributing factor.

Issues found in the survey to be addressed

The core issues identified included human resources development, improvement suggestions, and information communications. With regard to improvement proposals, we were expected to go beyond addressing current conditions to also anticipate future developments. In terms of information dissemination, the challenge lay in providing regular updates and integrating messaging into value-added initiatives. To meet evolving customer expectations, we shared the findings of this survey internally and are planning and taking tailored initiatives in line with the circumstances of each project.

Employees

Our strengths lie in our system development capabilities and the human resources who create them. We are promoting initiatives to improve engagement, including improvement of work styles and human resources systems and creating a work environment in which each individual can demonstrate their abilities. Through dialogue, we aim to create an environment where both the company and employees can grow.

Katarou-kai with the President

As a forum for communication between employees and top management, our company holds events titled *Katarou-kai* with the President. In FY2024, President Nakanishi and employees exchanged opinions both online and face-to-face. Since it allows for direct dialogue, employee satisfaction is high and the program is used as an opportunity to connect top management and employees.
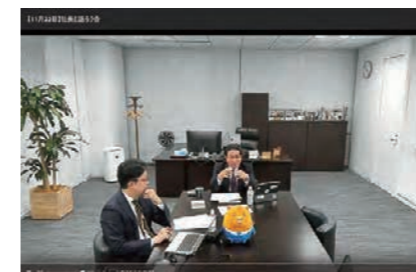
Katarou-kai with the President held online

Poster of the *Katarou-kai* with the President

Shareholders and Investors

Our company values our shareholders and investors as supporters who can provide us with management advice, and we strive to build relationships of trust with them. We aim to improve corporate value by providing information promptly based on transparency, fairness and continuity, and by proactively engaging in dialogue through General Meeting of Shareholders, IR meetings, etc.

Initiatives in FY2024

- Financial results briefing for institutional investors and analysts
- General Meeting of Shareholders
- Interviews with domestic analysts and institutional investors
- Company briefing for individual investors
- Shareholders' newsletter
- Letter to shareholders
- Video content for individual investors

Shareholders' newsletter

Subcontractors

We ask our subcontractors to perform some of the programming and operational tasks in system development in order to improve the productivity of our business activities and to utilize their highly specialized know-how. By carrying out various activities to maintain and strengthen good business relationships, we are building relationships that allow for mutual growth and development.

Business strategy briefing for subcontractors

We hold a business strategy briefing session for subcontractors every year to promote understanding of our activities and strengthen collaboration. Through dialogue on business prospects and policies for each area, we promote stable orders and systematic human resources development.

Briefing session for subcontractors

Society

We believe that dialogue with local communities is also important for business continuity. We strive to coexist and develop with the local community through participation in the Shinagawa CSR Promotion Council, which aims to promote corporate social contribution activities, and cooperation in the Shinagawa Workplace Walk for junior high school students in Shinagawa-ku, Tokyo, where our head office is located, to help the students develop a future career outlook.

Activities in FY2024

- Company visit by students of Shinagawa Gakuen
- Career support activities related to the IT industry
- Shinagawa Hanakaido Beautification Activities

TOPICS

Career support activities fostering an interest in the IT industry: Lecture at the Kanagawa Institute of Technology

Each year, we host a special lecture at Kanagawa Institute of Technology as part of our efforts in human resources development leading the next generation. This lecture is designed to spark student interest in the IT industry by sharing real-world industry trends, the latest technological developments, and the intrinsic value of IT careers in a relatable format. We contribute to the development of future engineers while sharing the appeal of the IT industry more broadly, thereby creating new value for society.

Lecture description
- Overview of the IT industry
- DX development in the field
- Mindset required to become an engineer

Natural Capital
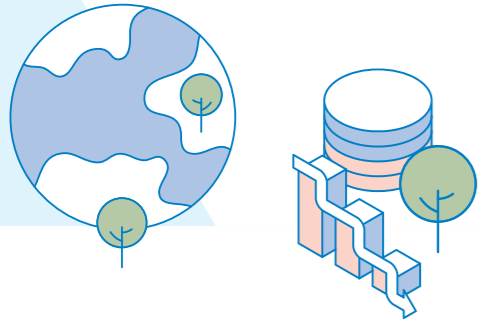
The Group recognizes that climate change will have a significant impact on people's lives and business activities, and so in April 2005 we established our Environmental Policy and have been working to conserve energy and resources in our business operations. In addition, we have positioned responding to climate change as one of the important issues in our business strategy, and have formulated a Medium-Term Management Plan based on anticipated risks and opportunities.

Environmental Management

We obtained ISO 14001 in 2005 and our business activities comply with this standard. We are also continuously improving our environmental management system. We continue paying careful attention to the environment in our business activities by setting concrete targets and improving environmental performance through regular reviews.

Efforts for TCFD

The Group's awareness of the importance of climate-related financial disclosure led to our endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) Report in November 2021. We are steadily disclosing our environmental information in compliance with this report.

As a result, in FY2024, we received a B score in the CDP climate change survey.

Governance

In November 2021, we formulated the Sustainability Management Basic Policy and established a management structure centered on the Sustainability and Governance Committee. The Sustainability and Governance Committee meets semi-annually to review the progress and results of climate change-related goal setting and initiatives. The committee receives reports on matters considered and implemented to facilitate climate change-related initiatives, and deliberates response policies, etc. Any important matters discussed are reported to the Board of Directors for monitoring and supervision.

Risk management

Once a year, we identify risks and opportunities in the risk areas presented in the TCFD Final Report for our entire value chain, taking into account environmental and social trends. Identified risks and opportunities are reported to the Sustainability and Governance Committee for consideration of a course of action. Additionally, the Representative Director and President receives the results of the risk and opportunity analysis and reflects them in the business strategy. In identifying, assessing, and responding to climate change-related risks, as with other risks, their status is monitored by the Internal Control and Integrated Risk Management Committee, and is integrated into the companywide comprehensive risk management process.

Strategy

Risks and opportunities were identified and scenarios analyzed in order to reduce risks of climate change and increase opportunities. We develop and implement business strategies that reflect responses to the risks and opportunities identified through scenario analysis, and promote sustainable corporate management.

Risks and opportunities identified by scenario analysis

(As of the end of March 2025)

Approach towards the timing of occurrence, likelihood of occurrence, and degree of financial impact

Timeline	Short-term: From now to 2026 (final year of V2026), Medium-term: 2027-2030 (target year in line with SBT criteria), Long-term: 2031 onwards
Possibility of cause	High: relatively certain, Low: relatively uncertain, and the middle defined as medium
Impact	Estimate the impact of climate change on business and finances based on net sales and operating profit **(Revenue)** Large: 500 million yen or more Medium: 100 million yen to less than 500 million yen Small: Less than 100 million yen **(Cost or profit)** Large: 50 million yen or more Medium: 10 million yen to less than 50 million yen Small: Less than 10 million yen
Scenarios	**No action taken**: IEA WEO 2023 STEPS, NGFS Current Policies (power prices only) **Decarbonization**: IEA WEO 2023 APS, NGFS BL2D (power price only) **Net Zero**: IEA WEO 2023 NZE, NGFS NZ2050 (power price only)

Transitional risks

Area	Factor	Business impact	Timing of occurrence	Likelihood of occurrence	Financial impact
Policy	Increase in carbon tax prices and introduction of new environmental taxes	Tax burden due to increased carbon prices, and increased electricity prices from fossil fuels	Short- to long-term	High	Medium
	Increase in carbon tax prices	Increase in outsourcing costs (procurement costs) to subcontractors due to the impact of increased carbon prices	Short- to medium-term	High	Large
	Introduction of new environmental taxes and strengthening of energy conservation laws and regulations	Increased burden of equipment renewal and investment	Medium- to long-term	High	Large
	Reinforcement of information disclosure obligations	Increased costs associated with complying with strengthened corporate information disclosure obligations	Short- to medium-term	High	Medium
Market	Subcontractors' delay in addressing climate change	Increase of costs due to the following initiatives (1) Increasing unit prices for subcontractors that can take climate change response initiatives (2) Support for existing major subcontractors in introducing climate change response initiatives	Short- to medium-term	High	Large
Reputation	Changes in investor evaluations	Decrease in stock price due to decline in corporate value as a result of investors' evaluation of inadequate response to GHG reduction requests and climate change issues	Short- to medium-term	Medium	Large

Physical risks

Area	Factor	Business impact	Timing of occurrence	Likelihood of occurrence	Financial impact
Acute	Increase and intensification of weather disasters such as windstorms and floods	Damage to buildings and business shutdowns due to damages to the company bases, and lost opportunities due to damage to business partners	Medium- to long-term	High	Small
	Increase in extreme weather events such as heavy rain and strong winds	Reduced productivity due to disruptions to transportation, network, and other infrastructure	Medium- to long-term	High	Small
Chronic	Long-term sea level rise	Relocation and opportunity loss due to flooding of company bases or surrounding areas	Long-term	High	Small
	Heat waves and chronic high temperatures	Increased air conditioning usage, and increased equipment maintenance and renewal costs	Medium- to long-term	High	Small
		Poor health and reduced productivity due to heat stress and increased risk of infection	Medium- to long-term	High	Small

Opportunities

Area	Factor	Business impact	Timing of occurrence	Likelihood of occurrence	Financial impact
Products and services	Increase in demand for low-carbon services and services that address climate change	Increase in sales due to increased demand from development of services (e.g. blockchain carbon accounting, and related management system) in line with customers' carbon neutrality compliance	Short- to medium-term	Medium	Large
		Increase in sales due to increased demand for migration to high-quality cloud environments as customers prepare for increasing and intensifying weather disasters and work to improve power efficiency	Short- to medium-term	High	Large
Energy source	Reviewing energy procurement and utilizing renewable energy	Reduction of the impact of carbon taxes through introduction of renewable energy and electric vehicles, and reduction in energy procurement costs	Short- to medium-term	High	Small
Resilience	Reinforcement of information disclosure	Increased opportunities for ESG investment through enhanced corporate information disclosure	Short- to medium-term	High	Large

Scenario analysis results

With respect to "the impact of the introduction of a carbon tax and energy price fluctuations," the results of the analysis indicate that the financial impact is limited and that the company is resilient to the applicable climate change risk factors.

As for "hazard screening for the impact of increased weather-related disasters due to climate change on our business bases," the results of the screening did not identify any significant risks with financial impact both in flood risk and storm surge risk.

Initiatives regarding SBT

Based on Science-Based Targets (SBTs), we will set targets to reduce greenhouse gas (GHG) emissions by FY2030. We will also promote initiatives to reduce all our emissions. We will continue our efforts to reduce GHG emissions, targeting 179 t-CO_2 for Scope 1 + 2 and 3,547 t-CO_2 for Scope 3 (Category 1) in FY2030.

GHG Emissions Reduction Targets (t-CO_2)

—— Scope 1 + 2 emissions　　—— Scope 3 emissions

2.5% annual reduction
4.2% annual reduction

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Scope 3	4,576	4,462	4,348	4,233	4,119	4,004	3,890	3,776	3,661	3,547
Scope 1+2	287	275	263	251	239	227	215	203	191	179
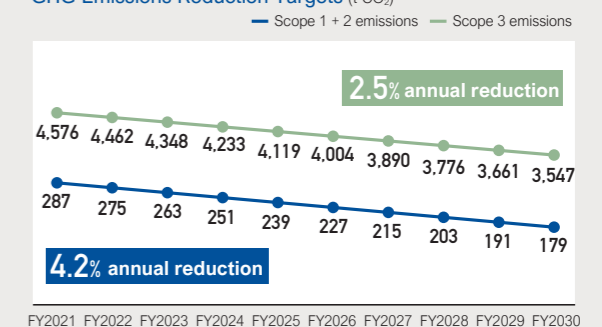
Financial Capital

Maintaining and further improving our sound and secure financial standing is one of the most important elements for our sustainable growth. We also regard the return of profits to our shareholders as one of our important issues. As a part of such efforts to maintain our business, we value the sustainability of our management foundation.

Initiatives under the Second Medium-Term Management Plan

Aiming to achieve cash returns that exceed capital costs

To increase corporate value, it is important not only to increase accounting profits, but also to strengthen the free cash flow generated by the company. To achieve this, we are conscious of improving the quality of our profits. By securing stable operating cash flow through improved operating profit, while also raising interest-bearing debt and optimizing non-business assets, we will realize capital reinvestment in growth areas and returns to shareholders while maintaining appropriate financial leverage. Furthermore, we aim to establish a cycle in which this reinvested capital generates returns that exceed the cost of shareholders' equity, thereby growing profits and linking these profits to further growth investments and shareholder returns. In the Second Medium-Term Management Plan, we aim to generate more effective and sustainable cash flow and achieve higher investment efficiency by ensuring thorough awareness of the capital cost not only for individual investment projects, but also for the Group as a whole.

Making appropriate use of cash

We have established standards and policies for the cash we generate. First, regarding the criteria for selecting investments, we set future prospects for new investments and profitability for existing investments. Next, we regard Return on Equity (ROE) as one of the key performance indicators and promote ROE management. We are committed to improving business profitability, and have an ROE target of 14.0% or higher. Finally, with regard to dividend policy, we have adopted a Dividend on Equity (DOE) ratio, and set the target consolidated dividend payout ratio at 50%, aiming for further returns to shareholders.

Cash allocation policy

Regarding the allocation of the cash obtained, the highest priority will be given to growth investments that can sustainably realize returns exceeding the capital cost, while also ensuring a balance with stable shareholder returns. With regard to growth investments, we will make investments that will create greater value, focusing on business, technology, human capital, and governance. We will also actively invest in research and development. As for shareholder returns, we will aim to further return profits to shareholders, taking into consideration future business development and the level of retained earnings.

Approach and initiatives regarding capital costs

With regard to capital costs, we employ an equity spread to evaluate whether we are using our capital effectively, and we are working with an eye toward achieving a positive evaluation. We will also appropriately communicate the company's value and growth potential to investors through IR activities, thereby enhancing the company's credibility and transparency, which will lead to a lower capital cost.

Trends in ROIC

Return on invested capital (ROIC) has, until now, exceeded the weighted average cost of capital (WACC), and continues to do so in the FY March 2025. In the FY March 2026, we will focus on profitability improvements and remain committed to maintaining stable ROIC.

Trends in ROIC/WACC
(%) ROIC WACC

	FY Mar. 2021	FY Mar. 2022	FY Mar. 2023	FY Mar. 2024	FY Mar. 2025
ROIC	12.2	13.4	10.7	10.9	9.9
WACC	5.3	8.4	8.7	7.4	8.0

Financial strategy

Returns exceeding the capital costs

$$ROIC > WACC$$

Reducing the capital costs through IR activities

Capital costs

Criteria for selecting investments
- NPV & IRR, hurdle rate, planned ROIC
- New: **future prospects**, existing: **profitability (threshold setting)**

ROE management
- **Margin** ● Leverage ● Turnover rate

Dividend policy
- **DOE (dividend on equity ratio) adopted**
- Consolidated dividend payout ratio raised to **50%**

Cash flow generation

Operating cash flow
Operating profit improvement benchmark: 10%

Interest-bearing debt financing	Non-business asset optimization

Cash allocation

Reinvestment (million yen)
- Human capital investment: 113
- Business investment: 148
- IT investment: 59
- R&D investment: 83

* Results as of FY March 2025

Shareholder returns

Dividend

Optimizing shareholders' equity

Borrowed capital	Shareholders' equity

Optimal equity

Enhancement of Capital Returns

We continue to pursue a sustained ROE target of 14% or higher. In the FY March 2025, ROE stood at 12.0%. To achieve our targets, we are committed to raising both profit margins and capital efficiency through targeted investments in human capital, business creation, and productivity gains. We place a strong emphasis on shareholder returns, and are working toward a DOE target of 7.0%. For the FY March 2025, we came in at 6.0%.

Trends in ROE/DOE ROE DOE
(%)

	FY Mar. 2021	FY Mar. 2022	FY Mar. 2023	FY Mar. 2024	FY Mar. 2025
ROE	14.0	13.8	11.8	10.8	12.0
DOE	4.5	4.6	8.6	5.4	6.0
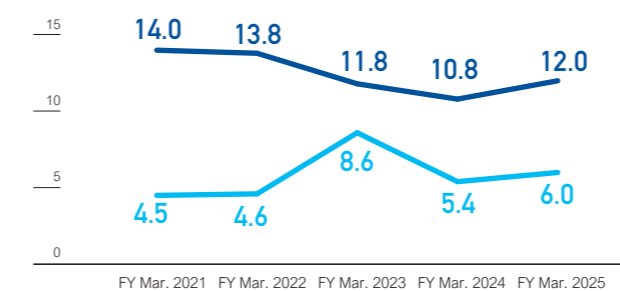
Dividend Policy

Dividends for the FY March 2026 will be 42 yen per share per year—20 yen as an interim dividend and another 22 yen as a year-end dividend. We estimate the consolidated dividend payout ratio will be 51.8%.

Changes in total amount of dividends ■ Ordinary ■ Commemorative
(million yen)

	FY Mar. 2021	FY Mar. 2022	FY Mar. 2023	FY Mar. 2024	FY Mar. 2025
Ordinary	278	324	391	551	629
Commemorative			358		
Total			749		
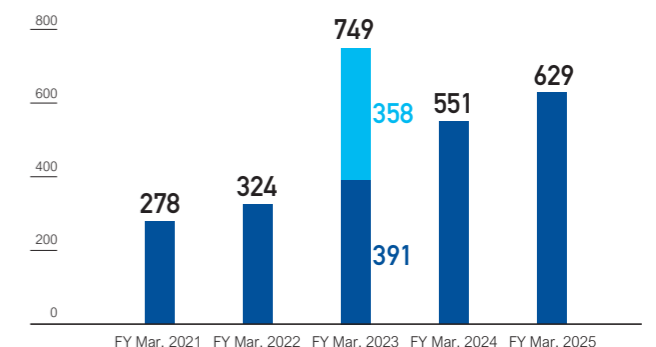
* Our 50th anniversary commemorative dividend was provided in the FY March 2023.

Financial officer's comment

In the FY March 2025, the first fiscal year of the V2026 Second Medium-Term Management Plan, we prioritized investment spending on growth drivers, including increased personnel expenses for improved employee benefits; investment in research and development; expanding development organization and facilities, including base rollout; and initiatives to strengthen employee engagement, resulting in higher expenditures than the prior year. At the same time, profitability remained an issue due to the emergence of unprofitable projects.

In the FY March 2026, we will work to improve profitability while investing proactively to support future growth. As a company, we will strive to maximize our corporate value by continuing to conduct business activities with solid fundamentals and achieve dramatic growth. We will continue to strive to meet the expectations of all stakeholders through transparent and sound financial management, always keeping in mind capital cost and our stock price.

Toshifumi Nomura
Financial executive officer

Corporate Governance

The CUBE SYSTEM Group pursues the advancement of its corporate value through assurance of equity and transparency in business management and response to the expectations of its stakeholders by continual reinforcement of corporate governance.

Basic Approach

We believe that improvement to corporate governance is an important issue in fair and efficient business management and continuing to provide solutions and services that satisfy our customers. For this purpose, we are directing our efforts to the development of a business management system that ensures precise and transparent decision-making, swift business execution and proper and appropriate supervision and monitoring. At the same time, actions are taken to assure that our officers and employees comply with laws and regulations. Furthermore, our basic policy is to continuously improve corporate value to meet the expectations of our shareholders, customers and other stakeholders.

The Reasons for the Current Corporate Governance Structure

We are a company with an Audit & Supervisory Board, which supervises our business management. At the same time, we have an executive officer system, in which directors are responsible for business decision-making and supervision and the executive officers are responsible for business execution. The majority of the Audit & Supervisory Board members are outside members. Thus, they provide advice and recommendations from specialized perspectives at important management meetings and are promoting improvements to the business monitoring function. We have adopted the existing corporate governance structure to build a highly equitable and transparent management system by our outside directors and outside Audit & Supervisory Board members with a high level of independence.

Corporate governance structure (as of July 16, 2025)

Board of Directors

The Board of Directors is responsible for our sustainable growth, corporate value improvement, and realization of the medium- to long-term increase in common interests of shareholders. The Board of Directors exercises its supervisory function and makes its optimal decisions based upon ethical judgement. The Board of Directors consists of six directors, of which three are outside directors. In addition to the monthly meeting of the Board of Directors, extraordinary meetings are held as needed to make decisions on important management issues and at the same time supervise business execution by each executive officer.

Agenda items
● Progress toward the Medium-Term Management Plan
● Development status of the next generation of human resources to serve in top management, etc.

Audit & Supervisory Board

The Audit & Supervisory Board members audit the state of business execution and governance from a neutral standpoint and audit the business performance of the directors and executive officers, participating in important meetings of the Board of Directors and Management Committee, etc. and investigating the status of our business operations and assets. The Audit & Supervisory Board consists of two full-time and two part-time Audit & Supervisory Board members, with a majority being outside members.

Agenda items
● Internal control
● Status of execution of executive officer duties, etc.

Nomination and Compensation Advisory Committee

The Nomination and Compensation Advisory Committee is comprised of a majority of independent officers, with an independent outside director as its chairperson. Acting as a voluntary advisory body to the Board of Directors, the Committee reviews and gives recommendations on basic policy, standards, and suitability concerning the nomination of candidates for director and executive officers (hereafter, directors), and matters of compensation, etc. for directors and other officers. The Committee also is responsible for developing the next generation of company representatives and leaders.

Agenda items
● Nomination and compensation of directors and executive officers
● Term limits for outside directors, etc.

Evaluation of the Effectiveness of the Board of Directors

To improve the functioning of the Board of Directors, we review evaluations of and opinions on the operation of the Board. Then we analyze and evaluate the effectiveness of the Board. Under the instructions of the Sustainability and Governance Committee, the voluntary advisory organ of the Board of Directors, the Secretariat of the Committee interviews all directors and Audit & Supervisory Board members. After evaluating and analyzing the interviews, the secretariat discusses the evaluation, proposes measures to improve the effectiveness of the Board of Directors, and gives the Board advice and recommendations.

Evaluation results for FY2024

The Board of Directors was evaluated as having a high level of effectiveness with regard to its role and structure. Improvement measures for FY2023 were effectively implemented and were recognized for increasing the likelihood that Medium-Term Management Plan targets would be met.

Issues and future efforts

In promoting a human resources strategy, we are enhancing monitoring efforts tracking progress from the perspective of quality, quantity, and motivation.

Executive Compensation

Basic policy

Our executive compensation is aimed at securing the outstanding management talent necessary to achieve sustainable growth and enhance corporate value, and is functioning effectively as an incentive in achieving the anticipated results.

Compensation decision-making process

Compensation for directors is deliberated on by the Nomination and Compensation Advisory Committee, taking comprehensive account of each director's level of responsibility for our management and the progress of the Medium-Term Management Plan and other factors. In response to the Committee's proposals, the Board of Directors determines the compensation within the limits resolved at the General Meeting of Shareholders. Compensation for directors concurrently serving as executive officers consists of a base salary, stock-based compensation granted upon retirement, bonuses (tied to short-term performance), and stock-based compensation (tied to medium-term performance). Compensation for non-executive directors consists of a base salary and stock-based compensation granted upon retirement. Said directors are not eligible for performance-linked compensation as they serve in a purely supervisory and guidance role. Compensation for outside directors and Audit & Supervisory Board members comprises basic compensation only, and is determined by the Audit & Supervisory Board within the limits resolved at the General Meeting of Shareholders.

Compensation standards

Executive compensation is decided based on various factors such as the general economic and social conditions, compensation levels at competing businesses, balance with employee compensation, the level of our business performance.

Fixed compensation

a | Basic compensation (for directors and Audit & Supervisory Board members)

Basic compensation is paid for the role and responsibilities of each officer and is decided for each position based on the officer's business performance, the number of years in office and expected value, in balance with compensation levels at competing businesses and balance among the directors. 1/12 of the annual compensation is paid on a monthly basis.

b | Stock-based compensation granted upon retirement (for directors other than outside directors)

As a long-term incentive designed to maintain a consistency of perspectives among officers and shareholders, fixed points are given to each director, corresponding to their rank, at a designated period of time after the end of each fiscal year, and equity compensation is awarded on resignation from office.

Variable compensation

a | Bonus (for directors holding concurrent executive officer posts)

As an incentive for short-term business performance within the scope and area of responsibility, an amount decided based on a comprehensive examination of performance against plan, performance compared to the preceding fiscal year, company business performance, etc., and based on the consolidated operating profit for the fiscal year in question, is paid at a certain period of time following the end of each fiscal year.

b | Equity compensation linked to business performance (for directors holding concurrent executive officer posts)

As a medium-term incentive for achieving the targets of the Medium-Term Management Plan for the company-wide performance (financial), and quantitative and qualitative targets (non-financial), points corresponding to the degree of accomplishment of the targets in the Medium-Term Management Plan are given at a designated period of time following the end of the fiscal year, and equity compensation is issued at the end of the final year of the Medium-Term Management Plan.

Efforts in Developing Management Human Resources

Developing future management human resources is one of the most important elements in the management issues, and we are actively training potential candidates. We created a framework for the succession plan, which was then assessed by the Nomination and Compensation Advisory Committee. We are implementing initiatives to develop future management human resources at each job level.

Taking account of the business conditions, we held discussions on the credentials and requirements for management human resources, selection approach, and development policy. Through these discussions, we formulated an ideal for our company's management human resources from the medium- to long-term viewpoint, and we are now providing education to selected candidates. To realize team-based management that aims for further growth, we provided selected employees with a program that required sharing a vision and unifying the principles for action, to build a team culture founded on mutual understanding and trust. We are establishing the foundation to promote the coupling of management strategies and our business expansion. We continue to develop future management human resources suitable for our company founded on team-based business management.

List of Officers (as of September 1, 2025)

Directors

Masahiro Nakanishi
Representative Director and President
Date of birth: November 6, 1958

April 1982	Joined Nomura Computer Systems Co., Ltd. (current Nomura Research Institute, Ltd.)
October 2009	Deputy General Manager of Chubu Regional Headquarters
April 2017	Executive Officer of the Company
April 2018	Managing Executive Officer
April 2020	President and CDO (Chief Digital Officer)
June 2020	Representative Director (current position)
April 2024	President (current position)

Masaki Tochizawa
Director
Date of birth: January 14, 1953

April 1975	Joined Nomura Computer Systems Co., Ltd. (current Nomura Research Institute, Ltd.)
April 2006	Senior Managing Director and Head of Kansai Regional Office
April 2008	Executive Officer of the Company
June 2008	Director
June 2012	Managing Director
June 2015	Director & Senior Managing Executive Officer
April 2020	Director (current position)

Minoru Odaka
Director and Managing Executive Officer
Date of birth: March 20, 1967

October 1999	Joined the Company
October 2007	Executive Officer
April 2018	Senior Executive Officer
April 2020	Managing Executive Officer (current position)
June 2025	Director (current position)

Takao Shiino
Director (Independent Outside)
Date of birth: September 17, 1954

April 1979	Joined Nomura Research Institute, Ltd. (NRI)
June 2000	Member of the Board
April 2002	Member of the Board and Senior Corporate Managing Director
April 2007	Counselor
May 2007	Executive Director of Japan Information Technology Services Industry Association
April 2009	Director of the Japan Data Center Council
July 2010	Chair of The Green Grid Japan Liaison Committee
April 2012	Dean of Nomura School of Advanced Management
June 2012	Senior Managing Director
June 2015	Independent Outside Director of the Company (current position)

Hanae Nagata
Director (Independent Outside)
Date of birth: December 5, 1986

April 2012	Obtained a medical practitioner's license
April 2012	Joined Japanese Red Cross Musashino Hospital
May 2016	Industrial physician of Yahoo Japan Corporation
May 2018	Representative Director of PhileLife Co., Ltd. (current position)
June 2020	Independent Outside Director of the Company (current position)

Takaaki Saito
Director (Independent Outside)
Date of birth: December 3, 1971

April 1995	Joined Tohmatsu & Co. (current Deloitte Touche Tohmatsu LLC)
July 1999	Registered as a Certified Public Accountant
April 2001	Seconded to Fuji Bank, Limited (current Mizuho Bank, Ltd.)
July 2012	Named as a partner of Deloitte Touche Tohmatsu LLC
September 2021	CEO of SET THE DIRECTION Co., Ltd. (current position)
November 2021	Director of Takaaki Saito Certified Public Accountant Office (current position)
June 2023	Independent Outside Director of the Company (current position)
May 2024	Outside Director of YAKUODO HOLDINGS CO., LTD. (current position)
April 2025	Outside Director of Adastria Co., Ltd. (current position)

Audit & Supervisory Board Members

Toshio Uchida
Full-time Audit & Supervisory Board Member
Date of birth: November 24, 1953

April 1975	Joined the Company
June 1988	Director
June 1995	Managing Director
June 2002	Senior Managing Director
June 2015	Director & Executive Vice President
April 2018	Director
June 2023	Audit & Supervisory Board Member (current position)

Tatsuo Nonaka
Full-time Audit & Supervisory Board Member (Independent Outside)
Date of birth: October 25, 1958

April 1982	Joined Mitsubishi Corporation
March 1996	Director & Treasurer of Mitsubishi Motors Credit of America, Inc.
February 2009	Deputy Director, Leasing Business Unit of Mitsubishi Corporation
May 2010	Executive Vice President & General Manager of Financial Affairs, Mitsubishi Auto Leasing Corporation
October 2018	Retired from Mitsubishi Corporation Transferred to Mitsubishi Auto Leasing Corporation
April 2021	Executive Vice President of Mitsubishi Auto Leasing
June 2021	Audit & Supervisory Board Member of the Company (current position)

Yukako Miida
Audit & Supervisory Board Member (Independent Outside)
Date of birth: December 21, 1977

April 2000	Joined Sumitomo Marine & Fire Insurance Co., Ltd. (current Mitsui Sumitomo Insurance Company, Limited)
October 2001	Joined New Tokyo International
November 2005	Joined ChuoAoyama Tax Corporation (current PwC Tax Japan)
November 2008	Joined PricewaterhouseCoopers Aarata (current PricewaterhouseCoopers Japan LLC)
August 2011	Registered as a Certified Public Accountant
January 2023	Director of Miida Certified Public Accountant Office (current position)
June 2023	Audit & Supervisory Board Member of the Company (current position)

Misato Fukushima
Audit & Supervisory Board Member (Outside)
Date of birth: December 21, 1983

December 2009	Registered as an attorney
January 2010	Joined Nishimura & Asahi (current position: Counsel)
September 2016	Seconded to JX Nippon Oil & Energy Asia Pte. Ltd.
August 2021	Seconded to JERA Co., Inc.
June 2024	Audit & Supervisory Board Member of the Company (current position)

Executive Officers

Masahiro Nakanishi	President
Kenichiro Iida	Managing Executive Officer
Hideaki Nishimura	Managing Executive Officer
Kenkichi Kumagai	Managing Executive Officer
Minoru Odaka	Managing Executive Officer
Shin Kanai	Managing Executive Officer
Koji Aihara	Managing Executive Officer
Daiki Wakamatsu	Managing Executive Officer
Hirofumi Kitagaki	Senior Executive Officer
Satoshi Yoneda	Senior Executive Officer
Katsuya Mori	Senior Executive Officer
Ryo Ota	Executive Officer
Toshifumi Nomura	Executive Officer
Nobuhito Miyazaki	Executive Officer

Officer skill matrix (as of September 1, 2025)

Name	Attributes	Position in the Company	Nomination and Compensation Advisory Committee	Governance/ Business management	Laws and legislation/ Compliance	IT services	DX/New technology/ Consulting	Production technology/ Quality management	Finance/ Sustainability	Human resources/ Health and Productivity Management
Masahiro Nakanishi		Representative Director	Member				○	○		○
Masaki Tochizawa		Director				○				○
Minoru Odaka		Director			○	○				○
Takao Shiino	Independent Outside	Outside Director	Member	○		○	○			
Hanae Nagata	Independent Outside	Outside Director	Member							○
Takaaki Saito	Independent Outside	Outside Director	Chairperson	○	○				○	
Toshio Uchida		Full-time Audit & Supervisory Board Member		○			○			○
Tatsuo Nonaka	Independent Outside	Full-time Audit & Supervisory Board Member			○				○	
Yukako Miida	Independent Outside	Audit & Supervisory Board Member							○	
Misato Fukushima	Outside	Audit & Supervisory Board Member		○	○					

Reasons for selecting skills

Governance/Business management
In order to maintain an appropriate corporate governance system, engage in fair and efficient management, and realize important decision-making and the formulation and promotion of business strategies that contribute to improving corporate value over the medium- to long-term, a wealth of expertise and experience in overall corporate management and business strategies are necessary skills.

Laws and legislation/Compliance
In order for each employee, as a self-reliant business person, to live up to the trust of all stakeholders and realize sound and sustainable enhancement of corporate value, knowledge of compliance and strict compliance with laws and regulations, which is the basis of corporate activities, is a necessary skill.

IT services
In order to thoroughly understand the SI and System Enhancement Business that are the foundation of our company, and to provide sustainable services and contribute to the development of our customers' businesses, a wealth of knowledge and experience in these IT services are necessary skills.

DX/New technology/Consulting
In order to have the experience to contribute to solving social issues from the customer's perspective and to promote company-wide digital transformation (DX), experience in the use of advanced technologies and knowledge of consulting are necessary skills.

Production technology/Quality management
In order to realize the provision of high quality services that satisfy our customers based on our basic policy of "Customer First," manufacturing through production technology and knowledge to ensure quality are necessary skills.

Finance/Sustainability
Turning the social challenges our clients face into business opportunities, achieving sustainable growth, and making the necessary investments require knowledge of financial accounting that supports a sound and solid financial foundation.

Human resources/Health and Productivity Management
In order to reform the human resources system to support employees' taking on challenges and self-realization, propose new ways of working, improve brand value, etc., and solidify the foundation for sustainable growth, a wealth of expertise and experience in human resources, human resource development, and labor affairs are necessary skills.

Risk Management

To achieve sustainable growth and improve the corporate value of the CUBE SYSTEM Group, we identify risks that may be involved in our business activities and implement continuous risk management for the entire Group.

Policy on Internal Control and Integrated Risk Management Committee

The Group has established an internal control system in order to appropriately identify risks, strive to prevent the occurrence of losses, and keep the impact of any losses within reasonable limits. To strengthen continuous improvement and reinforcement of the internal control function, we have appointed executive officers in charge of Internal Control and Integrated Risk Management, along with establishing an office for the supervision of risk management.

The level of risk and its importance are evaluated from the four perspectives of compliance with laws and regulations, trustworthiness of our financial reports, efficiency and effectiveness of business operations and resources/assets. We develop and introduce measures that are required for groupwide implementation.

For the maintenance and improvement of internal control, we monitor the state of operation and conduct reviews and deliberations under the Internal Control and Integrated Risk Management Committee. The findings and conditions are reported to the Board of Directors to reinforce and improve the groupwide internal control system.

Target themes and actions

	Themes	Response measures
1	Natural disasters/BCP Establishment of risk management system IT-BCP	● Disaster response headquarters training, refinement of operational protocols, and improved emergency supplies and environment ● Cloud migration of the core database system and partial implementation and revision of IT-BCP themes as part of plans for investment in IT systems for in-house use
2	Information security and information management Cyber security measures	● Zero incidents ● Rule updates (enacted April 2025)
3	Compliance with laws and regulations	● Updates to internal rules and alignment of internal and external operational practices to comply with recent legal revisions (Whistleblower Protection Act, Labor Standards Act, Financial Instruments and Exchange Act, Economic Security Promotion Act)
4	Labor affairs management Manager awareness reform	● Reduction of overtime hours ● Reduction of Company-wide average for overtime hours (target setting)
5	Ethical conduct	● Review of the internal reporting system and expansion of contact channels for subcontractors
6	Greater information transmission and communication	● Measuring effectiveness through utilization of Wevox*
7	Human resources/Retention	● Improving retention rates for employees in their first three years with the Company (target setting)

* Engagement analysis tool provided by Atrae, Inc.

Internal Control and Integrated Risk Management Committee: Internal control system
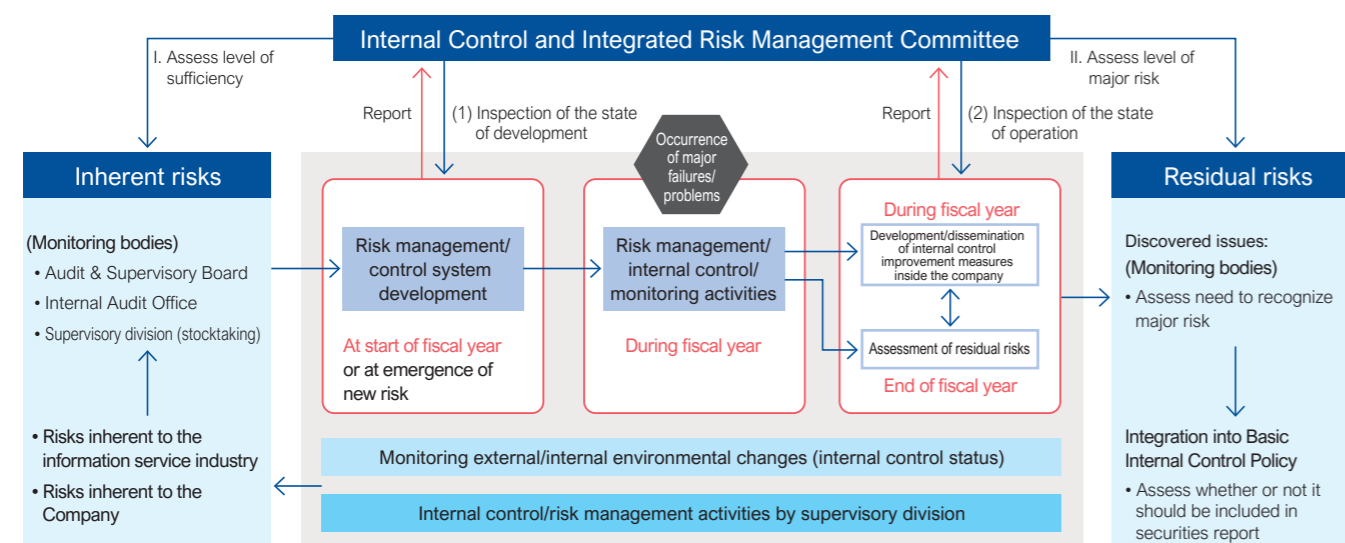

Policy on Project Risk Management

In management of our system solution services, we have established practical guidelines and are promoting risk recognition among all employees with groupwide monitoring for early detection of and a swift response to project risks.

Structure of Project Risk Management

Project risk management is classified into four processes: project estimate proposal, planning, implementation and completion. In each of the processes, risk is managed by defining what the project should do, what the divisions/departments should do and what the Quality Management and Promotion Department should do as part of our groupwide function.

Specifically, we have clarified project management roles and established a meeting body for project risk management to manage projects properly according to the level of risk (monitoring levels and response difficulties) and the condition and status of the project.

Project risk management system
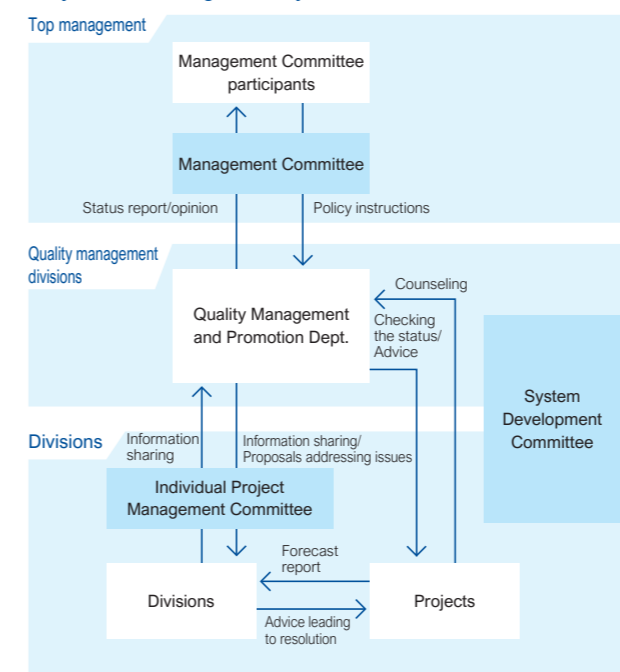
Risk assessment

We set risk ranks for each project for effective and smooth project monitoring. In particular, projects that fall under groupwide monitoring require groupwide monitoring and must be reported to the System Development Committee or the Individual Project Management Committee. We also conduct risk assessment at each project site using our own risk assessment sheet, as part of our efforts to assess various risks both from management and on-site perspectives.

Response to risks

In addition to monitoring the state of the project with each division, risk sharing and the operations needed to resolve issues, we monitor projects groupwide depending on the risks involved in the project through activities of the System Development Committee.

System Development Committee

In providing solutions services, the System Development Committee assesses the various processes, including project estimate proposal, planning, implementation and completion for each project. In addition, the results are shared with top management for better decision-making and support by the Company to contribute to effective project management.

Activities by Internal Audit Office

We have an Internal Audit Office as an independent organization directly under the control of the President. This office regularly conducts an internal audit of each CUBE SYSTEM department, as well as group companies. The office also performs ad hoc internal audits as required. Further, they are responsible for verification, analysis, and assessment of whether the group's business activities are appropriately and rationally carried out in accordance with the management policies, plans, and regulations, and whether they are functioning duly and efficiently toward management targets, such as increasing corporate value and sound business development.

The results of internal audits are regularly reported to the President, as well as to directors, Audit & Supervisory Board members, and department and section managers, and related records are stored in an appropriate manner. Also, the representative director, Audit & Supervisory Board members, and accounting auditors closely collaborate to exchange information and opinions to continuously improve the effectiveness and efficiency of internal audits and internal controls.

Information Security

Because we handle information assets from customers in our business operations, information security is a major management issue. We see it as our responsibility to ensure the safety of customer's information assets as well as our own.

## Basic Approach and Policy

In providing solutions services, we recognize that proper handling of the information assets of private or corporate customers and our own information assets is essential in building and maintaining trust with our customers. For this purpose, we have established a basic policy on information security, defining the requirements in accordance with the established guidelines, and we are putting this policy into practice.

An information security management structure led by officers in charge of information security has been established for planning, execution and verification of measures to manage the secure and maximum utilization of information assets. In addition, we develop human resources with high ethical standards founded on awareness and our responsibility as an IT company.

We are working to ensure the proper protection and use of personal information based on our Personal Information Protection Policy.

🌐 **Information Security Policy**
https://www.cubesystem.co.jp/en/security/
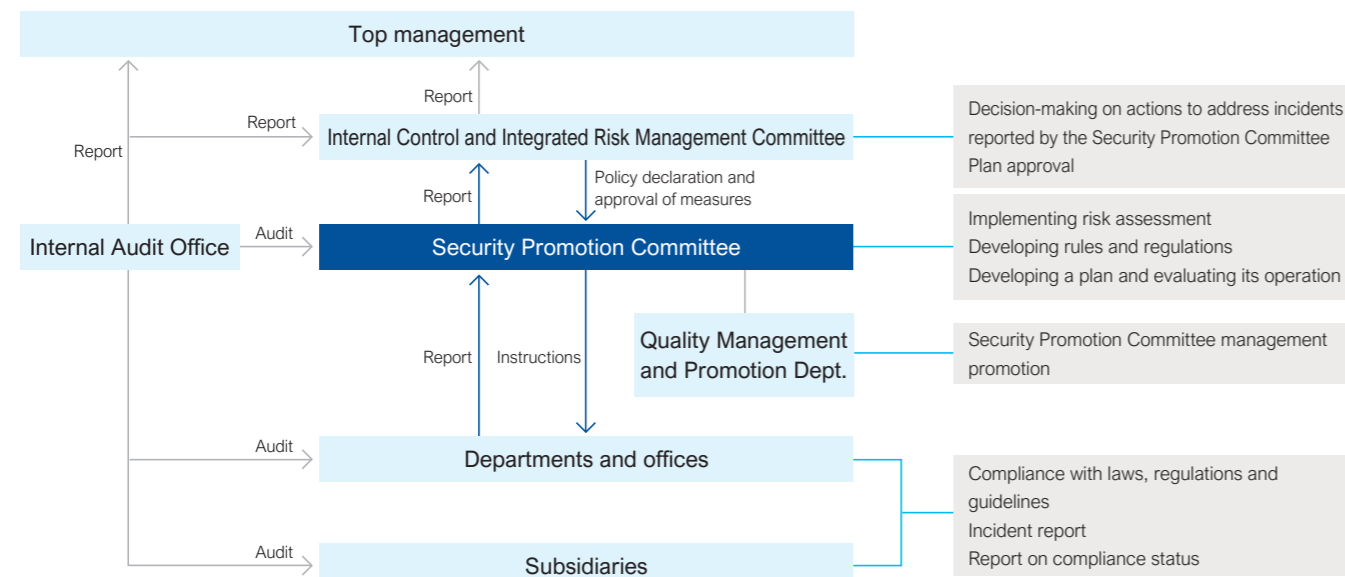
Management System (ISMS)

Based on laws, regulations and official guidelines on information security, we have established the Regulations on Confidential Information Management and the Information Security Guidelines that define the requirements and organizational management of information security at the Company and have managed our information security management system.

Information Security Management System

We have established an Information Security Policy and Information Security Guidelines for ongoing management of our groupwide security measures. As part of these efforts, in December 2003, we acquired certification under the Information Security Management System (ISMS) conformity assessment scheme and to the BS7799 standard. In February 2006, migration to ISO/IEC 27001 has been approved for continuing certification.

Information security management structure

Structure	Responsibilities
Top management	
Internal Control and Integrated Risk Management Committee	Decision-making on actions to address incidents reported by the Security Promotion Committee Plan approval
Security Promotion Committee	Implementing risk assessment Developing rules and regulations Developing a plan and evaluating its operation
Quality Management and Promotion Dept.	Security Promotion Committee management promotion
Departments and offices	Compliance with laws, regulations and guidelines Incident report Report on compliance status
Subsidiaries	

(Internal Audit Office — Audit; Report / Policy declaration and approval of measures / Instructions)

Information security management structure

We have established a Security Promotion Committee for our information security management structure to conduct risk assessments for the entire organization, develop rules and regulations and review measures vis-à-vis internal and external risks.

Committee members have been selected from the managers of our various organizations, departments and offices for cross-sectoral activity.

Additionally, the Internal Control and Integrated Risk Management Committee, the supervisory body for the Committee, is responsible for reporting developments to top management and for deciding actions to be taken in the event of security risks and incidents.

Response to Incidents

Should a security incident occur, our actions to identify the cause and prevent any recurrence are determined by the incident rank in compliance with the information security guidelines.

Measures against Incidents

Response in the event of an incident	For response in the event of a security incident, a security-related reporting channel has been defined clearly for each division and department/office, to ensure swift reporting and response. We are required to report and respond promptly even when there is only a small risk of a security incident.
Measures against cyberattacks	In the event of a cyberattack, a dedicated response team takes swift action to minimize damage. Specifically, system measures are in place to give protection, including installation of virus detecting functions, hardware encryption, installation of IT management & control software (SKYSEA Client View), firewalls and two-step identity recognition. We conduct training on targeted email attacks so that we can respond quickly in the event of an attack.

Measures against cyberattacks

As security risks from external cyberattacks increase, we have established strict rules for changing passwords according to the password policy and for using web services such as cloud services. Ensuring groupwide compliance with these rules prevents information leaks as a result of unauthorized access and other similar breaches.

Information Security Training

We regularly conduct training based on our information security rules and recent developments in information security to raise employee awareness of information security.

In addition, we implement orientation training on security rules at our offices and project sites for new project members (including those from subcontractors).

Information Security and Compliance Handbook

To ensure information security and compliance, we have published a handbook to ensure comprehensive understanding and awareness of the rules.

We perform monthly checks across all relevant organizations and projects to ensure that they are operating in compliance with the rules. We update the Handbook each fiscal year in step with the emergence of new internal and external risks.

The Handbook is distributed to our employees and to all officers and subcontractors participating in our projects, to ensure that they are always aware of the content of the Handbook in the course of their work so that they can use it in the event of emergency, to ensure swift action and to maintain the necessary security level.

Handling Personal Information

We are protecting and using personal information obtained from business partners, shareholders, employees, etc., in accordance with our Personal Information Protection Policy. In handling personal information, we comply with relevant laws and official guidelines, with proper measures that limit the acquisition and use, and ban the use of the information for purposes other than the objectives.

Specific personal information including My Number (personal identification number) is handled safely and appropriately in accordance with our Personal Information Privacy Policy.

🌐 **Personal Information Protection Policy**
https://www.cubesystem.co.jp/en/privacy/

Compliance

We regard compliance with laws and regulations as a top priority issue in business management and we work to improve and reinforce our compliance systems.
Additionally, we have established our own policy on human rights, so that our businesses are managed with attention given to the basic human rights of our employees, our business partners and all other stakeholders.

Basic Approach

We regard compliance as one of our most important management issues and we are committed to our comprehensive implementation as the base for our business management. Compliance is not only simple respect for and observation of laws and regulations but responding to the trust of all of our stakeholders.

We are committed to honesty, equity and transparency in our business activities through actions by each and every one of our self-reliant employees demonstrating respect for the values and ethics required of a good corporate citizen and member of society.

🌐 Basic Policy on Compliance
https://www.cubesystem.co.jp/en/csr/compliance/

Compliance Initiatives

Internal whistleblowing system

We accept reports of misconduct or problems related to compliance from the internal whistleblowing office. In addition to the existing reporting channel, we have established an internal whistleblowing system for swift reporting of misconduct, etc. via a third-party organization that functions as a whistleblowing counseling office. There was one report in FY2024. The counseling office has created a system for appropriate action on inquiries and reports regarding organizational or personal violation of laws, to promote early identification and correction.

Compliance Committee activities

The Compliance Committee arranges various activities each year for compliance training and for continuous improvements of all compliance activities.

In addition, employees from each division are appointed as compliance leaders in their respective departments to promote activities in the area.

Training and case study sharing for employees, organizational managers, and officers
We provide annual training, with a focus on Company-wide compliance training.

Distribution of legal affairs-related newsletters
The officer in charge of legal affairs regularly distributes a newsletter. This newsletter shares information on select work-related themes, including "contract types," the "Economic Security Promotion Act," and "confidentiality agreements."

Compliance Manual
We publish our own Compliance Manual and Compliance Handbook as one of our compliance awareness activities for use in training programs, etc. The Compliance Committee reviews and revises these publications appropriately to improve our compliance activities.

Compliance comments box—Hotto Box

Our Hotto Box is a contact point through which employees can casually raise any whistleblowing concerns related to compliance issues. Employees can submit cases that they wish to consult on or ask questions about to Hotto Box using an internal communication tool, and a contact person responds to the issue after clarifying the facts. The response results are then reported to the poster. When possible, the issue may be included in training materials as a sample case. To ensure the confidentiality of the poster, the responsible persons are only appointed from employees of our Compliance Committee. Also, the poster can remain anonymous. This leads to Company-wide improvements in resolving compliance-related concerns. There were nine consultations in FY2024.

## Initiatives Regarding Human Rights

We recognize that respect for human rights is the basis for sustainability management. In accordance with our Sustainability Management Basic Policy and in order to clarify our philosophy on human rights, we established a Human Rights Policy in November 2021 based on international standards and principles including the International Bill of Human Rights and the Guiding Principles on Business and Human Rights, to ensure that our businesses respect human rights. Under the policy of "support international norms on human rights and respect human rights in all our business activities," we prohibit all forms of discrimination and never allow harassment. In addition, we do not condone forced labor in any form. To further ensure that respect for human rights is firmly established in our business, we plan to implement human rights due diligence for ourselves and our group companies. We are committed to making continued improvements in this area.

🌐 Human Rights Policy
https://www.cubesystem.co.jp/en/csr/human_rights/

Compliance counseling and action flow
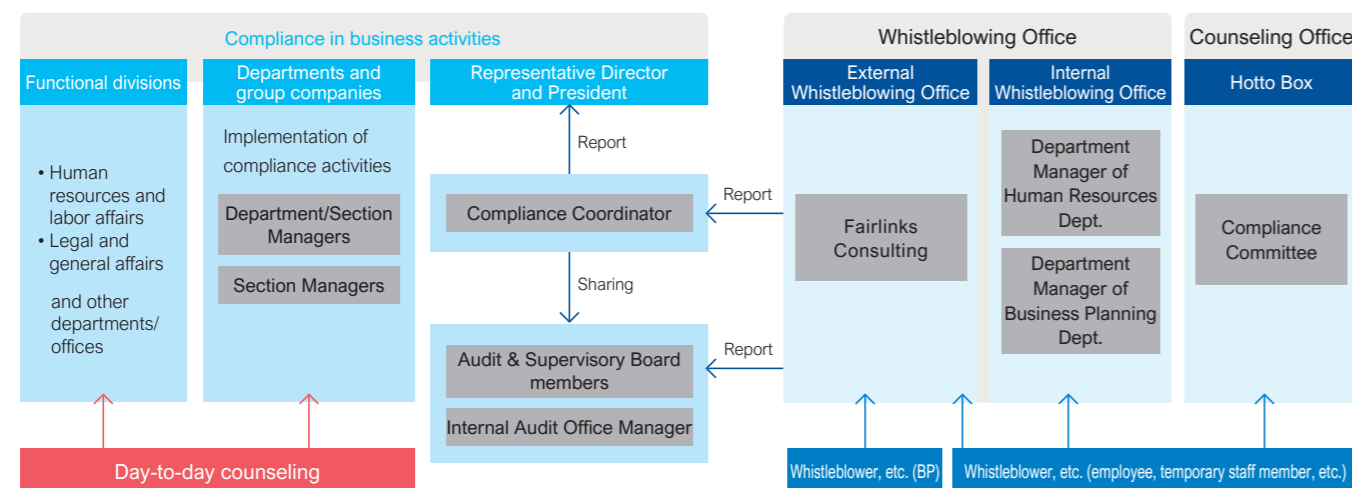
Hotto Box consulting flow
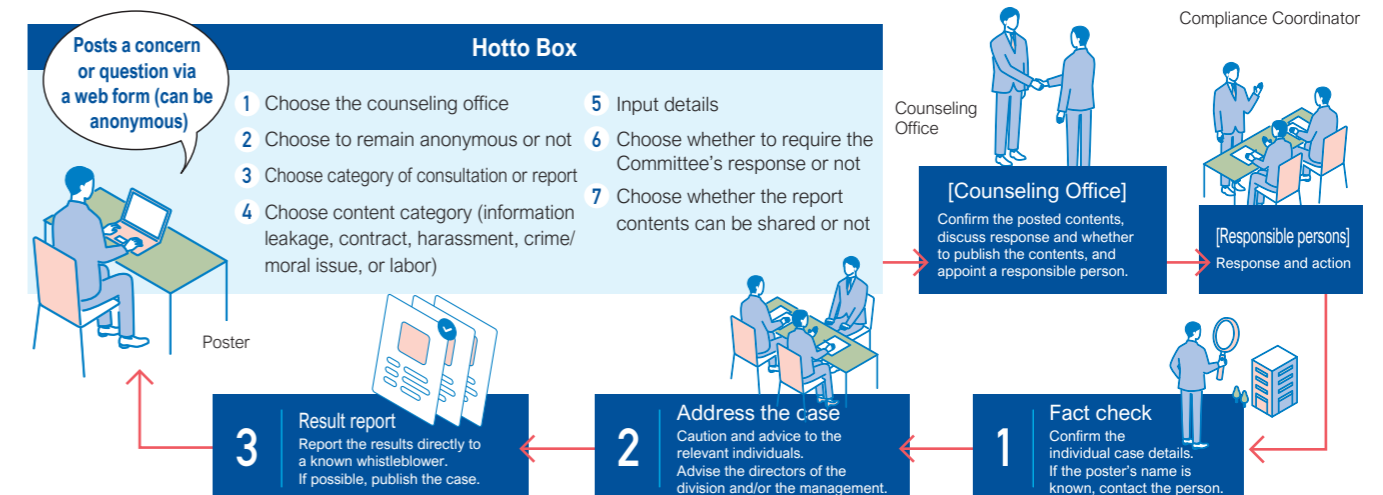
Major Financial Data (Consolidated)

Fiscal year: April 1 to March 31 next year

Please also refer to our Annual Securities Report.

IR Information: Annual Securities Report, etc.
https://www.cubesystem.co.jp/en/ir/library/yuho/

(million yen)

	Japanese GAAP										
	1st Step V2020	2nd Step V2020			3rd Step V2020			1st Step V2026			2nd Step V2026
	FY Mar. 2015	FY Mar. 2016	FY Mar. 2017	FY Mar. 2018	FY Mar. 2019	FY Mar. 2020	FY Mar. 2021	FY Mar. 2022	FY Mar. 2023	FY Mar. 2024	**FY Mar. 2025**
Consolidated Statements of Income											
Net sales	12,527	12,622	12,899	13,559	14,325	14,708	14,788	16,099	16,325	18,021	**18,351**
Gross profit	2,035	2,146	1,985	2,344	2,448	2,503	2,840	3,450	3,570	3,922	**3,947**
Total selling, general and administrative expenses	1,071	1,197	1,204	1,489	1,527	1,544	1,665	2,032	2,117	2,386	**2,566**
Operating profit	964	949	781	855	921	959	1,174	1,417	1,452	1,536	**1,380**
Ordinary profit	980	960	811	892	959	976	1,295	1,432	1,480	1,590	**1,393**
Profit attributable to owners of parent	594	628	551	567	596	525	844	944	989	1,067	**1,261**
Consolidated Balance Sheets											
Current assets	5,024	5,221	5,549	5,763	6,156	6,241	7,253	7,805	9,703	9,978	**9,806**
Non-current assets	1,873	2,103	1,853	1,771	1,989	1,805	2,190	2,259	2,844	3,509	**4,560**
Total assets	6,898	7,324	7,403	7,535	8,145	8,047	9,444	10,064	12,547	13,487	**14,366**
Current liabilities	1,942	1,790	1,713	1,860	2,249	1,874	2,357	2,199	2,188	2,459	**2,387**
Non-current liabilities	310	815	824	518	532	540	571	650	742	894	**1,104**
Total liabilities	2,253	2,606	2,538	2,379	2,782	2,414	2,928	2,850	2,930	3,353	**3,491**
Total net assets	4,645	4,718	4,865	5,156	5,363	5,632	6,515	7,214	9,616	10,133	**10,874**
Total liabilities and net assets	6,898	7,324	7,403	7,535	8,145	8,047	9,444	10,064	12,547	13,487	**14,366**
Consolidated Statements of Cash Flows											
Cash flows from operating activities	503	527	936	388	773	747	1,043	1,015	891	1,044	**255**
Cash flows from investing activities	(307)	33	94	28	46	25	58	(134)	(304)	(259)	**(68)**
Cash flows from financing activities	(439)	(241)	(610)	(392)	(531)	(339)	(215)	(324)	1,102	(672)	**(780)**
Effect of exchange rate change on cash and cash equivalents	3	(9)	(6)	(1)	(4)	(7)	4	10	(1)	(1)	**(8)**
Net increase (decrease) in cash and cash equivalents	(240)	309	414	23	284	426	890	568	1,687	111	**(601)**
Cash and cash equivalents at end of period	2,098	2,407	2,822	2,845	3,130	3,557	4,447	5,015	6,703	6,815	**6,213**
Per Share Information											
Net profit per share (yen)	39.75	43.22	39.15	40.59	43.25	38.69	62.11	69.82	70.35	70.39	**83.81**
Net assets per share (yen)	316.67	322.76	346.47	372.23	393.29	411.96	476.52	531.14	634.29	668.41	**722.27**
Dividends per share (yen)	14.00	14.00	14.00	16.00	16.00	18.00	20.00	23.00	50.00	35.00	**40.00**
Financial Ratios											
Equity ratio (%)	67.0	64.1	65.4	68.1	65.4	69.6	68.6	71.2	76.6	75.1	**75.7**
Return on equity (%)	13.2	13.5	11.6	11.4	11.4	9.6	14.0	13.8	11.8	10.8	**12.0**
Total asset turnover ratio (times)	1.8	1.7	1.7	1.8	1.8	1.8	1.6	1.6	1.3	1.3	**1.3**
Financial leverage (times)	1.5	1.6	1.5	1.5	1.5	1.4	1.5	1.4	1.3	1.3	**1.4**
Return on assets (%)	14.5	13.5	11.0	12.0	12.3	12.3	14.8	14.7	13.1	12.2	**10.0**
Ratio of operating profit on sales (%)	7.7	7.5	6.1	6.3	6.4	6.5	7.9	8.8	8.9	8.5	**7.5**
Ratio of earnings on sales (%)	4.7	5.0	4.3	4.2	4.2	3.6	5.7	5.9	6.1	5.9	**5.8**
Dividend payout ratio (%)	35.2	32.4	35.8	39.4	37.0	46.5	32.2	32.9	71.1	49.7	**47.7**

* With the application of the Accounting Standards on Business Combinations (ASBJ Statement No. 21, September 13, 2013), profit has been defined as "profit attributable to owners of parent," starting in the FY March 2016.
* Stock split at a ratio of 1:2 was implemented on October 1, 2014. However, this stock split is assumed to have been executed at the start of the FY March 2015. Hence, current profit per share and net assets per share for each fiscal term have been calculated accordingly.
* The impact of the 1:2 ratio stock split in October 1, 2014 has been applied retroactively to the annual dividend per share.
* Dividend per share and dividend payout ratio for the FY March 2023 include our 50th anniversary commemorative dividend.

ESG Data

Environment

CO₂ emissions

	FY2020	FY2021	FY2022	FY2023	FY2024
Total emissions (Scope 1) (t-CO₂e)	55	49	48	50	48
Total emissions (Scope 2) (t-CO₂e)	135	238	249	183	70
Scope 1 + 2 (t-CO₂e)	139	287	297	234	118
Total emissions (Scope 3) (t-CO₂e)	—	5,326	5,074	6,387	5,183

* Includes Osaki Wiz Tower (Tokyo Head Office) only before FY2020. For FY2021 and later, all group companies are covered.

* Emissions under Scope 1, Scope 2 and Scope 3 have been calculated using the following equations. (The emission factor is as set in the Act on the Promotion of Global Warming Countermeasures)
 Scope 1 emissions: Consumption of each fuel type x Energy conversion factor x Emission factor
 Scope 2 emissions: Electricity usage at each site x emission factor of each power company
  Overseas emission factors are based on the IGES List of Grid Emission Factors.
 Scope 3 emissions: Value of each category x Total of emission factors

* Calculation for Scope 3 started from FY2021.

* Overseas emission factors were changed from IEA Emission Factors to IGES List of Grid Emission Factors and Scope 2 emissions were revised from FY2021 onward.

Energy consumption

	FY2020	FY2021	FY2022	FY2023	FY2024
Energy consumption (Electricity kWh)	304,310	571,860	586,806	679,757	687,355

* Includes Osaki Wiz Tower (Tokyo Head Office) only before FY2020. For FY2021 and later, all group companies are covered. Consumption for FY2021 has been revised.

Society * Non-consolidated data

Proportion of employees

		FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees (persons)	Male	461	447	446	461	497
	Female	164	192	198	210	208
By region (persons)	Domestic	622	634	640	666	702
	Ho Chi Minh	2	2	2	3	2
	Shanghai	1	3	2	2	1
Gender ratio	Male	74%	70%	69%	69%	70%
	Female	26%	30%	31%	31%	30%
Number of managerial personnel (persons)	Male	106	104	99	105	103
	Female	5	7	7	12	11
Ratio of female unit managers		18%	18%	17%	19%	20%
Number of new graduate new hires (persons)	Male	39	33	37	47	45
	Female	24	24	25	18	25
Number of mid-career hires (persons)	Male	8	4	11	23	17
	Female	7	9	9	15	6
Number of retired employees (persons)		40	57	88	75	64
Average length of employment (years)		8.3	8.5	8.6	8.5	8.7
Average annual compensation (in thousand yen)		5,017	5,260	5,098	5,254	5,259
Job retention rate for new graduate hires after three years		65%	83%	83%	73%	71%

* The number of employees includes those on overseas assignments.

Employment of employees with disabilities

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees with disabilities (persons)	10	10	14	12	18
Rate of employees with disabilities	1.6%	1.6%	2.1%	2.0%	2.6%

FY2024 childcare leave-taking status

	Total	Male	Female
Number of employees qualified for childcare leave (persons)	16	10	6
Number of employees who took childcare leave (persons)	11	5	6
Number of employees who returned from childcare leave during the term of this report (persons)	12	10	2
Number of employees who are enrolled more than 12 months after returning from childcare leave (persons)	14	9	5
Job return rate after childcare leave	100%	100%	100%
Job retention rate after childcare leave	78%	80%	75%

Health and productivity management

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of workplace accidents (cases)	0	0	0	0	0
Workplace accident rate*	0%	0%	0%	0%	0%

* Figure represents the number of either fatal accidents or incidents necessitating four or more days' leave due to a casualty accident.

Annual training cost per employee

	FY2020	FY2021	FY2022	FY2023	FY2024
Training cost per employee (thousand yen)	60	99	105	152	173

Governance * Non-consolidated data

Proportion of directors

	FY2020	FY2021	FY2022	FY2023	FY2024
Total directors (persons)	7	7	7	6	6
Outside directors (persons)	3	3	3	3	3
Female directors (persons)	1	1	1	1	1

Board of Directors meetings

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of meetings (times)	15	17	19	17	16
Average attendance rate for all directors	100%	100%	100%	100%	97.9%
Average attendance rate for outside directors	100%	94%	96%	100%	100%
Average attendance rate for outside Audit & Supervisory Board members	100%	100%	100%	100%	100%

Audit & Supervisory Board meetings

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of meetings (times)	18	19	14	13	13
Average attendance rate for all Audit & Supervisory Board members	100%	100%	100%	100%	100%
Average attendance rate for outside Audit & Supervisory Board members	100%	100%	100%	100%	100%

Corporate Information

Corporate Information

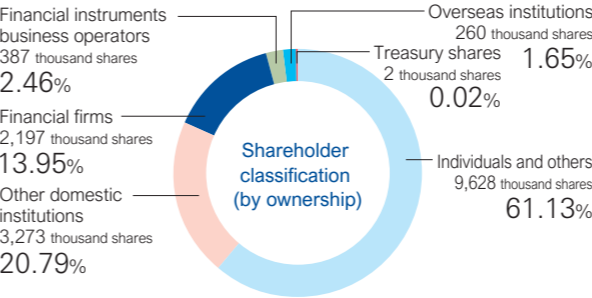|	
Company name	CUBE SYSTEM INC.
Head office	Osaki Wiz Tower, 2-11-1 Osaki, Shinagawa-ku, Tokyo
Established	July 5, 1972
Share capital	1.4 billion yen
Total number of employees (consolidated)	992 (as of April 1, 2025)

Stock Information (as of March 31, 2025)

Total number of issuable shares	22,364,000 shares
Total number of issued shares	15,750,000 shares
Number of shareholders	10,484

Financial instruments business operators
387 thousand shares
2.46%

Financial firms
2,197 thousand shares
13.95%

Other domestic institutions
3,273 thousand shares
20.79%

Shareholder classification (by ownership)

Overseas institutions
260 thousand shares
1.65%

Treasury shares
2 thousand shares
0.02%

Individuals and others
9,628 thousand shares
61.13%

Major shareholders (Top 10)

Name of shareholder	Number of shares held (shares)	Shareholding ratio (%)
Nomura Research Institute, Ltd.	3,178,600	20.18
CUBE SYSTEM Employee Stockholding Meeting	1,462,902	9.28
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,202,700	7.63
Osamu Sakiyama	946,540	6.00
The Master Trust Bank of Japan, Ltd. (Executive Compensation BIP Trust Account 75824)	522,034	3.31
Akemi Onuki	401,400	2.54
Toshio Uchida	206,980	1.31
Toshikuni Sato	198,848	1.26
The Master Trust Bank of Japan, Ltd. (ESOP Trust Account for Stock Grants 80049)	168,700	1.07
Mika Sakiyama	151,420	0.96

Business Bases

Domestic offices (in Japan)

❶ **Head Office**
7F, Osaki Wiz Tower, 2-11-1 Osaki, Shinagawa-ku, Tokyo

❷ **West Japan Solution Division**
6F, Ichigo Sakaisuji Honmachi Building, 1-6-16 Honmachi, Chuo-ku, Osaka

❸ **Nagoya Office**
7F, Kumada Shirakawa Building, 2-11-19 Sakae, Naka-ku, Nagoya, Aichi

❹ **Fukuoka Office**
4F, Hakata Ekimae Parkside Building, 4-11-19 Hakata Ekimae, Hakata-ku, Fukuoka, Fukuoka

Related companies

❺ **HOKKAIDO CUBE SYSTEM INC.**
6F, Pacific Marks Sapporo Kita-Ichijo, 7-4-4 Kita-Ichijo Nishi, Chuo-ku, Sapporo, Hokkaido

❻ **CUBE SYSTEM SHANGHAI CO., LTD.**
Room 605, No.2 Building, No.641 Tianshan Road Changning District, Shanghai City, China (Shanghai Hui Ning Zhi Gu Science Park)

❼ **CUBE SYSTEM VIETNAM CO., LTD.**
4th Floor, ICT2(Tech Valley) Building, Lot 46, Quang Trung Software City, Trung My Tay Ward, Ho Chi Minh City, Vietnam

Information disclosure system

Non-financial information

Company profile

Shareholders' newsletter

Corporate Governance Report

Integrated report

Story element

Comprehensiveness

Website
(All information included)

Securities Report

Summary of financial results

Financial information